

Summary

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Labour Market Summary

An overview of key labour market indicators: changes and time series graphs.



Labour Statistics News

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Updates and Information on the Labour Household Survey content review and the Labour Force Survey output review



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What has been released recently? What will be released in the next three months?



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Find Out More

Want to find out more about ABS labour statistics? Contacts, training courses and ABS labour statistics publications.



Data Sources for Tables

How to find the data for discontinued tables from *Australian Labour Market Statistics* (cat. no. 6105.0).

Labour Market Summary

SUMMARY COMMENTARY

JULY 2011

Summary of Australia's key labour market indicators.

Key Measures

| | Units | Series | Period | Current figure | % Change from Previous qtr(a) | % Change from Previous year(b) |
|---|-------|----------|--------|----------------|-------------------------------|--------------------------------|
| Scope | | | | | | |
| Civilian population | '000 | Original | May 11 | 18 351.3 | 0.3 | 1.6 |
| Labour force | '000 | Trend | May 11 | 12 032.6 | 0.0 | 1.9 |
| Employed | | | | | | |
| Persons | '000 | Trend | May 11 | 11 444.2 | 0.1 | 2.3 |
| Full-time | '000 | Trend | May 11 | 8 057.9 | 0.0 | 2.6 |
| Part-time | '000 | Trend | May 11 | 3 386.3 | 0.3 | 1.4 |
| Employed persons who work part-time | | | | | | |
| Persons | % | Trend | May 11 | 29.6 | (c) 0.1 | (c)-0.2 |
| Males | % | Trend | May 11 | 16.0 | (c)-0.1 | (c)-0.5 |
| Females | % | Trend | May 11 | 45.9 | (c) 0.2 | (c) 0.0 |
| Unemployed | | | | | | |
| Persons | '000 | Trend | May 11 | 588.4 | -1.7 | -4.9 |
| Looking for full-time work | '000 | Trend | May 11 | 416.0 | -1.1 | -6.0 |
| Looking for part-time work | '000 | Trend | May 11 | 172.4 | -3.2 | -2.0 |
| Long-term unemployed | '000 | Trend | May 11 | 118.2 | 2.2 | 6.2 |
| Labour force participation rates | | | | | | |
| Persons aged 15 and over | % | Original | May 11 | 65.6 | (c)-0.4 | (c) 0.3 |
| Persons aged 15-24 | % | Original | May 11 | 68.0 | (c)-2.8 | (c) 0.2 |
| Persons aged 25-64 | % | Original | May 11 | 79.0 | (c) 0.1 | (c) 0.7 |
| Persons aged 65 and over | % | Original | May 11 | 10.8 | (c) 0.1 | (c) 0.2 |
| Employment to population ratio | | | | | | |
| Persons | % | Trend | May 11 | 62.4 | (c)-0.1 | (c) 0.5 |
| Males | % | Trend | May 11 | 69.0 | (c)-0.2 | (c) 0.4 |
| Females | % | Trend | May 11 | 56.0 | (c) 0.0 | (c) 0.5 |
| Labour underutilisation | | | | | | |
| Labour force underutilisation rate | % | Trend | May 11 | 12.0 | (c)-0.1 | (c)-0.5 |
| Unemployment rate | % | Trend | May 11 | 4.9 | (c)-0.1 | (c)-0.3 |
| Underemployment rate | % | Trend | May 11 | 7.0 | (c)-0.1 | (c)-0.3 |
| Volume measures of labour underutilisation | | | | | | |
| Volume labour force underutilisation rate | % | Trend | Aug 10 | 7.0 | na | (c)-0.8 |

| | | | | | | |
|---|------------|----------|--------|--------------|---------|------------|
| Volume unemployment rate | % | Trend | Aug 10 | 4.2 | na | (c)-0.6 |
| Volume underemployment rate | % | Trend | Aug 10 | 2.8 | na | (c)-0.2 |
| Part-time employed who are underemployed | | | | | | |
| Persons | % | Original | Sep 10 | 24.7 | na | (c)-1.3 |
| Males | % | Original | Sep 10 | 32.1 | na | (c)-1.0 |
| Females | % | Original | Sep 10 | 21.6 | na | (c)-1.4 |
| Not in the labour force | | | | | | |
| Persons | '000 | Original | May 11 | 6 321.4 | 1.6 | 0.6 |
| Males | '000 | Original | May 11 | 2 513.8 | 3.2 | 1.4 |
| Females | '000 | Original | May 11 | 3 807.6 | 0.6 | 0.1 |
| Aggregate monthly hours worked | | | | | | |
| Persons | Mil. hours | Trend | May 11 | 1 602.5 | 0.1 | 1.6 |
| Males | Mil. hours | Trend | May 11 | 986.9 | 0.1 | 1.4 |
| Females | Mil. hours | Trend | May 11 | 615.5 | 0.2 | 1.9 |
| Average actual weekly hours worked | | | | | | |
| Persons | hours | Original | May 11 | 33.7 | (d)-1.3 | (d)-1.4 |
| Full-time | hours | Original | May 11 | 41.0 | (d)-0.3 | (d)-1.2 |
| Part-time | hours | Original | May 11 | 16.8 | (d)-0.9 | (d)-1.4 |
| Average weekly earnings | | | | | | |
| All employees total earnings | \$ | Trend | Feb 11 | (e) 1 004.10 | 1.0 | 3.7 |
| Full-time adult ordinary time earnings | \$ | Trend | Feb 11 | (e) 1 288.10 | 1.1 | 3.8 |
| Full-time adult total earnings | \$ | Trend | Feb 11 | (e) 1 341.00 | 1.1 | 4.0 |
| Median hourly earnings (f) | | | | | | |
| Persons | \$ | Original | May 10 | (e) 25.50 | na | (g) 5.6 |
| Males | \$ | Original | May 10 | (e) 26.70 | na | (g) 4.6 |
| Females | \$ | Original | May 10 | (e) 24.70 | na | (g) 7.0 |
| Wage price index | | | | | | |
| Total hourly rates of pay excluding bonuses | index | Trend | Mar 11 | 107.6 | 1.0 | 4.0 |
| Employees who are trade union members in main job | | | | | | |
| Persons | % | Original | Aug 10 | 18.3 | na | (c)-1.4 |
| Males | % | Original | Aug 10 | 17.9 | na | (c)-2.2 |
| Females | % | Original | Aug 10 | 18.7 | na | (c)-0.5 |
| Employees(h) without paid leave entitlements of total employed | | | | | | |
| Persons | % | Original | Nov 10 | 19.8 | na | (c)-0.6 |
| Males | % | Original | Nov 10 | 16.2 | na | (c)-0.2 |
| Females | % | Original | Nov 10 | 24.2 | na | (c)-1.0 |
| Methods of setting pay - all employees | | | | | | |
| Award only | % | Original | May 10 | 15.2 | na | (c)(g)-1.3 |
| Collective agreement | % | Original | May 10 | 43.4 | na | (c)(g) 3.6 |
| Individual arrangement | % | Original | May 10 | 37.3 | na | (c)(g)-1.4 |
| Owner managers of incorporated enterprises | % | Original | May 10 | 4.1 | na | (c)(g)-0.9 |
| Industrial disputes | | | | | | |
| Working days lost | '000 | Original | Mar 11 | 19.7 | -27.6 | -31.6 |
| Working days lost per 1,000 employees | no. | Original | Mar 11 | 2.0 | -25.9 | -33.3 |
| Job vacancies | | | | | | |
| Australia | '000 | Trend | Feb 11 | 186.0 | -1.7 | 8.1 |
| Private sector | '000 | Trend | Feb 11 | 167.8 | -1.9 | 7.9 |
| Public sector | '000 | Trend | Feb 11 | 18.2 | 0.6 | 9.6 |
| Labour force status of families | | | | | | |
| Children living without an employed parent(i) | % | Original | Jun 10 | 13.9 | na | (c)-1.1 |

na not available

(a) Same period previous quarter (monthly data is presented for the middle month of each quarter).

(b) Same period previous year.

(c) Change is in percentage points.

(d) Change is in hours worked.

(e) Estimates are rounded to the nearest 10 cents.

(f) Median non-managerial adult hourly ordinary time cash earnings.

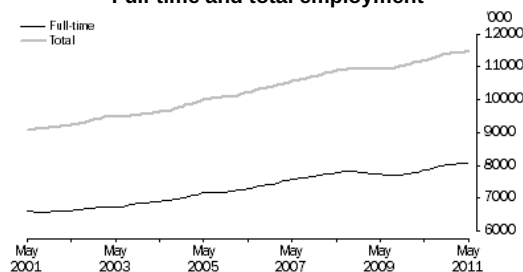
(g) Same period two years ago.

(h) Excludes owner managers of incorporated enterprises.

(i) As a proportion of all children aged under 15 years.

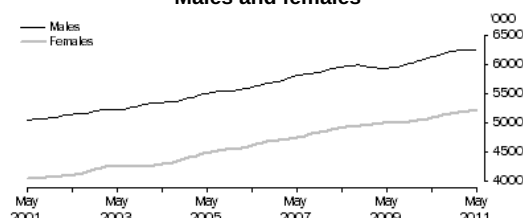
EMPLOYMENT: TREND SERIES

Full-time and total employment



Sources: Labour Force Survey.

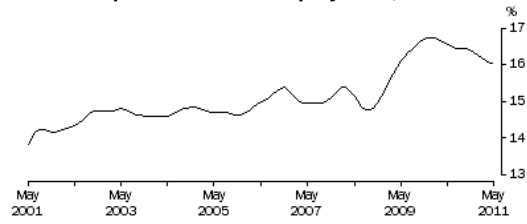
Males and females



Sources: Labour Force Survey.

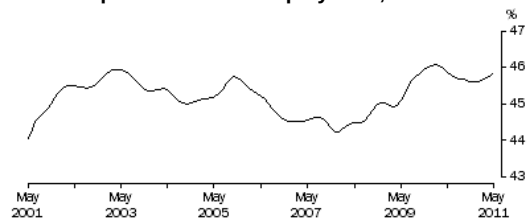
PART-TIME EMPLOYMENT: TREND SERIES

Proportion of total employment, Males



Sources: Labour Force Survey.

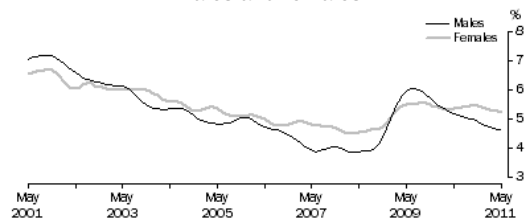
Proportion of total employment, Females



Sources: Labour Force Survey.

UNEMPLOYMENT RATE: TREND SERIES

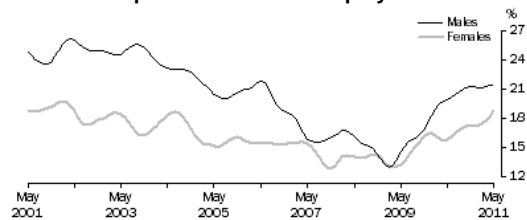
Males and females



Sources: Labour Force Survey.

LONG-TERM UNEMPLOYMENT: TREND SERIES

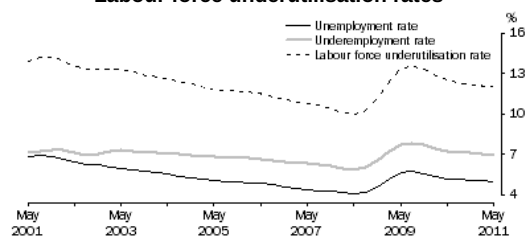
Proportion of total unemployment



Sources: Labour Force Survey.

UNDERUTILISED LABOUR: TREND SERIES

Labour force underutilisation rates

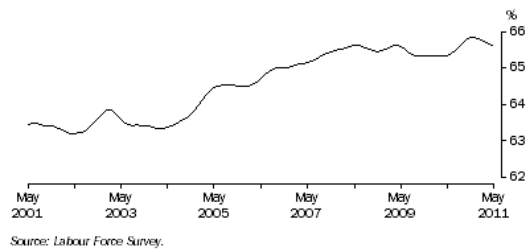


(a) The trend quarterly unemployment rate shown in this graph is subject to a separate seasonal adjustment and trend process and may differ from the official monthly unemployment rate.

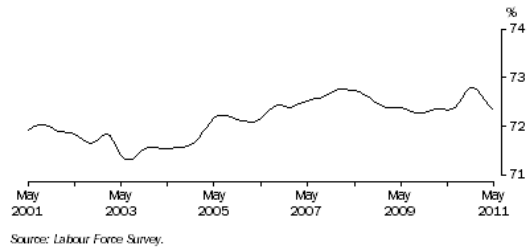
Note: See the Glossary for further information on the labour underutilisation rates.
Sources: Labour Force Survey.

PARTICIPATION RATE: TREND SERIES

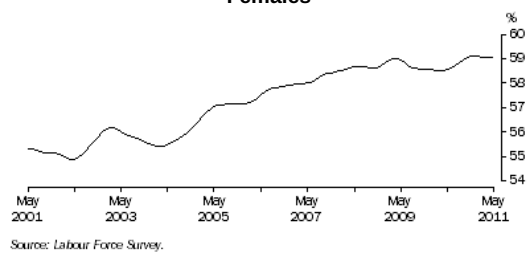
Persons



Males

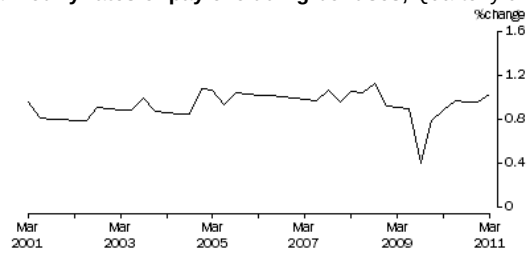


Females



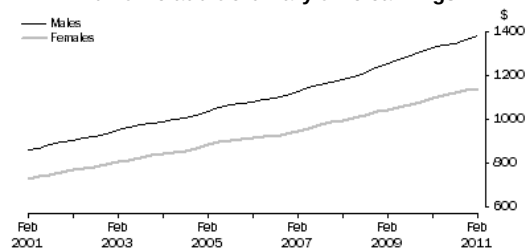
WAGE PRICE INDEX: TREND SERIES

Total hourly rates of pay excluding bonuses, Quarterly change



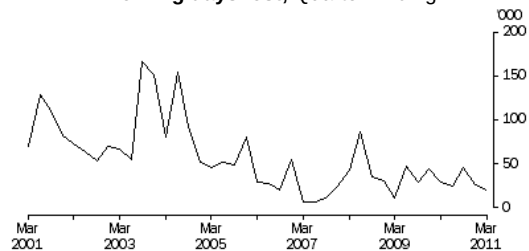
AVERAGE WEEKLY EARNINGS: TREND SERIES

Full time adult ordinary time earnings



INDUSTRIAL DISPUTES: ORIGINAL SERIES

Working days lost, Quarter Ending



About this Release

This publication provides information about the latest developments in the Australian Bureau of Statistics (ABS) labour statistics program, highlighting new and upcoming releases of ABS labour data or changes to these series.

It presents a broad level summary of key labour market measures, contains analyses of labour market issues, and resources on how to understand and interpret labour market statistics.

The electronic product takes advantage of website capabilities and differs marginally from the printed version.

Expanded Contents

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 - Forthcoming changes to Average Weekly Earnings
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What's New



WHAT'S NEW?

Welcome to the latest issue of Australian Labour Market Statistics (cat. no. 6105.0), a publication designed to help you stay informed about key labour market measures and the latest developments in the Australian Bureau of Statistics (ABS) labour statistics program. Each issue contains a Labour Market Summary with both the latest key figures and a range of time series graphs.

WHAT'S IN THIS ISSUE?

This issue has a revamped Key Measures table which includes a range of new labour market measures to give you a broader overview of the Australian labour market each quarter. We have added more information on earnings, work place relations and young people learning or earning. The new look table is available from the Labour Market Summary page.

Australian Labour Market Statistics includes three annual datacubes which provide unique information on labour force underutilisation (volume and extended measures) and on employment type. These datacubes have been updated in this issue. For more information see Labour Statistics News or go to the Downloads tab.

This issue highlights some news from the ABS labour statistics program, including:

- The latest information on the Labour household survey content review and the Labour Force Survey output review;
- Release advice relating to Average Weekly Earnings; and
- Highlights of recent ABS labour related statistical releases:
 - Labour Statistics in Brief, Australia, 2011 (cat. no. 6104.0) ;
 - Forms of Employment, Australia, November 2010 (cat. no. 6359.0);
 - Employee Earnings, Benefits and Trade Union Membership, Australia, August 2010 (cat. no. 6310.0).

See the Labour Statistics News page for more details on these developments.

The feature article: Trends in employee methods of setting pay and jurisdictional coverage provides the latest information on methods of setting pay, as well as trends over time. It focuses on employees in the federal jurisdiction for pay-setting and presents information on a range of job characteristics, including industry, occupation and full-time/part-time status. Finally, this article explores the distribution of employee earnings for each of the methods of setting pay for those in the federal jurisdiction.

The fact sheet: Employment classifications describes three different classifications that the ABS uses to differentiate between types of employment: Status in Employment; Employment Type; and Form of Employment. The fact sheet compares these classifications and provides an explanation of their intended uses, as well as their limitations.

FEEDBACK AND COMMENTS

If you have any questions about aspects of the labour statistics program, you can contact us on (02) 6252 7206 or email <labour.statistics@abs.gov.au>.

The Find out more page contains further information and contact details.

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Labour Market Summary

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SUMMARY COMMENTARY

JULY 2011

Summary of Australia's key labour market indicators.

Key Measures

| | Units | Series | Period | Current figure | % Change from Previous qtr(a) | % Change from Previous year(b) |
|--|-------|----------|--------|----------------|----------------------------------|---|
| Scope | | | | | | |
| Civilian population | '000 | Original | May 11 | 18 351.3 | 0.3 | 1.6 |
| Labour force | '000 | Trend | May 11 | 12 032.6 | 0.0 | 1.9 |
| Employed | | | | | | |
| Persons | '000 | Trend | May 11 | 11 444.2 | 0.1 | 2.3 |
| Full-time | '000 | Trend | May 11 | 8 057.9 | 0.0 | 2.6 |
| Part-time | '000 | Trend | May 11 | 3 386.3 | 0.3 | 1.4 |
| Employed persons who work part-time | | | | | | |
| Persons | % | Trend | May 11 | 29.6 | (c) 0.1 | (c)-0.2 |
| Males | % | Trend | May 11 | 16.0 | (c)-0.1 | (c)-0.5 |
| Females | % | Trend | May 11 | 45.9 | (c) 0.2 | (c) 0.0 |
| Unemployed | | | | | | |
| Persons | '000 | Trend | May 11 | 588.4 | -1.7 | -4.9 |
| Looking for full-time work | '000 | Trend | May 11 | 416.0 | -1.1 | -6.0 |

| | | | | | | |
|---|------------|----------|--------|--------------|---------|------------|
| Looking for part-time work | '000 | Trend | May 11 | 172.4 | -3.2 | -2.0 |
| Long-term unemployed | '000 | Trend | May 11 | 118.2 | 2.2 | 6.2 |
| Labour force participation rates | | | | | | |
| Persons aged 15 and over | % | Original | May 11 | 65.6 | (c)-0.4 | (c) 0.3 |
| Persons aged 15-24 | % | Original | May 11 | 68.0 | (c)-2.8 | (c) 0.2 |
| Persons aged 25-64 | % | Original | May 11 | 79.0 | (c) 0.1 | (c) 0.7 |
| Persons aged 65 and over | % | Original | May 11 | 10.8 | (c) 0.1 | (c) 0.2 |
| Employment to population ratio | | | | | | |
| Persons | % | Trend | May 11 | 62.4 | (c)-0.1 | (c) 0.5 |
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| Females | % | Trend | May 11 | 56.0 | (c) 0.0 | (c) 0.5 |
| Labour underutilisation | | | | | | |
| Labour force underutilisation rate | % | Trend | May 11 | 12.0 | (c)-0.1 | (c)-0.5 |
| Unemployment rate | % | Trend | May 11 | 4.9 | (c)-0.1 | (c)-0.3 |
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| Volume measures of labour underutilisation | | | | | | |
| Volume labour force underutilisation rate | % | Trend | Aug 10 | 7.0 | na | (c)-0.8 |
| Volume unemployment rate | % | Trend | Aug 10 | 4.2 | na | (c)-0.6 |
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| Part-time employed who are underemployed | | | | | | |
| Persons | % | Original | Sep 10 | 24.7 | na | (c)-1.3 |
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| Not in the labour force | | | | | | |
| Persons | '000 | Original | May 11 | 6 321.4 | 1.6 | 0.6 |
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| Aggregate monthly hours worked | | | | | | |
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| Total hourly rates of pay excluding bonuses | index | Trend | Mar 11 | 107.6 | 1.0 | 4.0 |
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| Owner managers of incorporated enterprises | % | Original | May 10 | 4.1 | na | (c)(g)-0.9 |
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| Labour force status of families | | | | | | |
| Children living without an employed parent(i) | % | Original | Jun 10 | 13.9 | na | (c)-1.1 |

na not available

(a) Same period previous quarter (monthly data is presented for the middle month of each quarter).

(b) Same period previous year.

(c) Change is in percentage points.

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(f) Median non-managerial adult hourly ordinary time cash earnings.

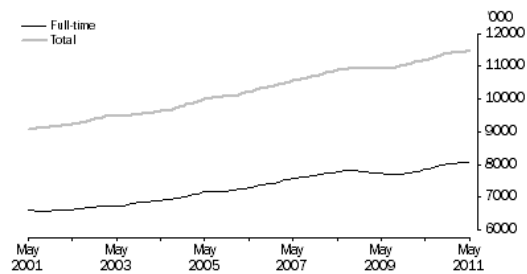
(g) Same period two years ago.

(h) Excludes owner managers of incorporated enterprises.

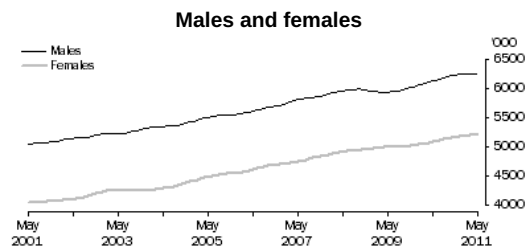
(i) As a proportion of all children aged under 15 years.

EMPLOYMENT: TREND SERIES

Full-time and total employment



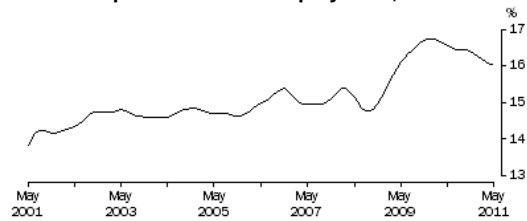
Sources: Labour Force Survey.



Sources: Labour Force Survey.

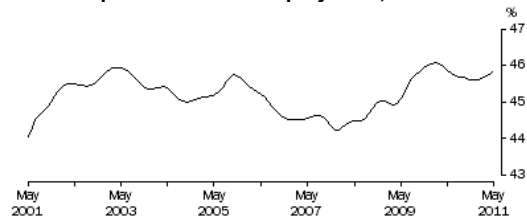
PART-TIME EMPLOYMENT: TREND SERIES

Proportion of total employment, Males



Sources: Labour Force Survey.

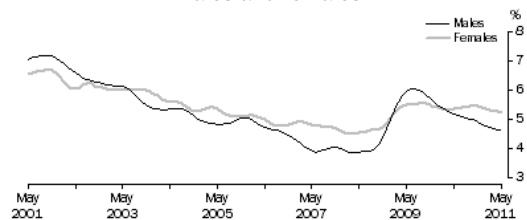
Proportion of total employment, Females



Sources: Labour Force Survey.

UNEMPLOYMENT RATE: TREND SERIES

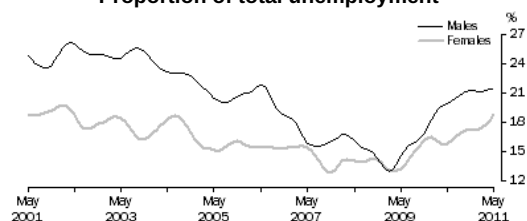
Males and females



Sources: Labour Force Survey.

LONG-TERM UNEMPLOYMENT: TREND SERIES

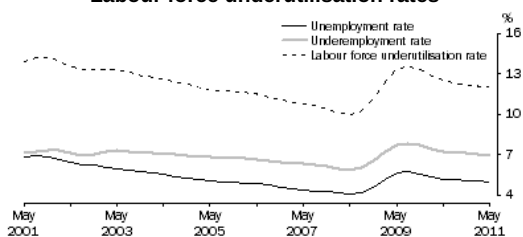
Proportion of total unemployment



Sources: Labour Force Survey.

UNDERUTILISED LABOUR: TREND SERIES

Labour force underutilisation rates



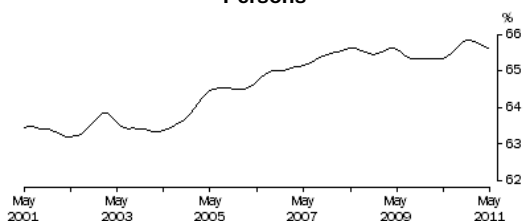
(a) The trend quarterly unemployment rate shown in this graph is subject to a separate seasonal adjustment and trend process and may differ from the official monthly unemployment rate.

Note: See the Glossary for further information on the labour underutilisation rates.

Sources: Labour Force Survey.

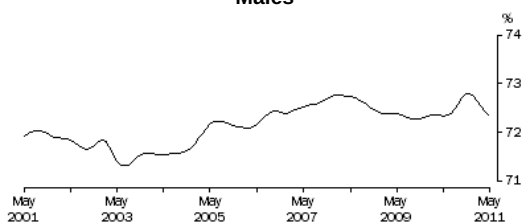
PARTICIPATION RATE: TREND SERIES

Persons



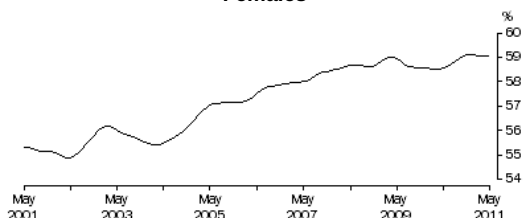
Sources: Labour Force Survey.

Males



Sources: Labour Force Survey.

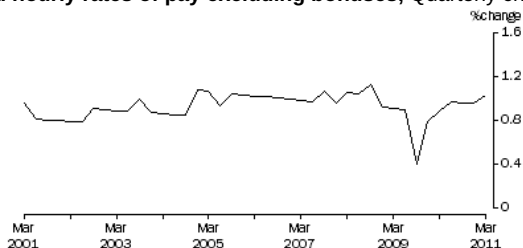
Females



Sources: Labour Force Survey.

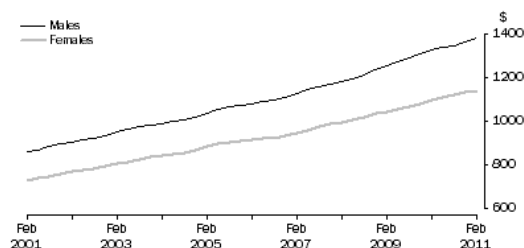
WAGE PRICE INDEX: TREND SERIES

Total hourly rates of pay excluding bonuses, Quarterly change

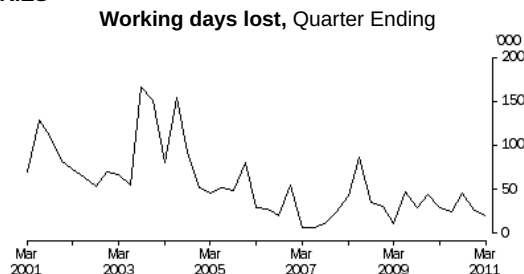


AVERAGE WEEKLY EARNINGS: TREND SERIES

Full time adult ordinary time earnings



INDUSTRIAL DISPUTES: ORIGINAL SERIES



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Labour Statistics News

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LABOUR STATISTICS NEWS

The Australian Bureau of Statistics is undertaking a number of reviews, developments and analytical projects to improve the relevance of labour market statistics and promote the effective use of these statistics. Labour Statistics News provides an overview of this work including contacts for further information. This section also includes details of the release of new statistical products by the Australian Bureau of Statistics.

This section contains the following subsection :

- [Changes to Australian Labour Market Statistics](#)
- [Review of Topics @ a Glance - Labour](#)
- [Labour Statistics in Brief](#)
- [Annual Datacubes](#)
- [Recently Released Supplementary Surveys on Labour Topics](#)
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Changes to Australian Labour Market Statistics

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CHANGES TO AUSTRALIAN LABOUR MARKET STATISTICS

The past two issues of this publication have gone through several changes in respect of presentation and content. From July 2011 issue, the Adobe Acrobat (. PDF) version of this publication, Australian Labour Market Statistics (cat. no. 6105.0) will no longer be available, however, all information from the PDF version will be available as an HTML product on the ABS website.

To provide a more comprehensive overview of the Australian labour market, a range of new indicators have been added to the Labour Market Summary Key Measures table. The table includes the most recently released key measures of labour force participation; employment and unemployment; underemployment; labour force underutilisation; hours worked; education and work; children in jobless families; industrial disputes; wages; earnings; methods of setting pay; and job vacancies.

If you would like further information or would like to comment on these changes please contact Joanne Baker on (02) 6252 7059 or email [<joanne.baker@abs.gov.au>](mailto:joanne.baker@abs.gov.au).

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Review of Topics @ a Glance - Labour

REVIEW OF TOPICS @ A GLANCE - LABOUR

Later this year, a number of changes are planned for the Topics @ a Glance - Labour pages on the ABS website. These pages provide a guide to the full range of ABS statistics on the labour market, as well as links to the latest data releases. The revised Topics @ a Glance page will organise labour statistics topics thematically, assisting users in quickly and easily finding the information and data they require. To find Topics @ a Glance, go to <https://www.abs.gov.au> [Topics @ a Glance > People > Labour].

If you would like further information about the upcoming changes to Topics @ a Glance - Labour please contact Joanne Baker on (02) 6252 7059 or email [<joanne.baker@abs.gov.au>](mailto:joanne.baker@abs.gov.au).

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Labour Statistics in Brief

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LABOUR STATISTICS IN BRIEF

In May 2011, the ABS released Labour Statistics in Brief, Australia, 2011 (cat. no. 6104.0). This publication presents a range of summary statistics with the emphasis on simple tabular and graphical presentations. Most of the ABS labour collections are covered, including the Labour Force Survey, the range of employer surveys and the industrial disputes collection. Australian data are compared with those of the major Organisation for Economic Co-operation and Development member countries.

Comparisons of data over a 20-year period are given for labour force participation; employment and unemployment; underemployment; hours worked; industrial disputes; wages and prices; and job vacancies. Also included are recent data on labour force underutilisation; earnings; education and work; people not in the labour force; methods of setting pay; and an international comparison of population and unemployment rates.

To find out more, please visit the publication.

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Annual Datacubes

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ANNUAL DATACUBES

Three data cubes are released annually in this publication Australian Labour Market Statistics, July 2011 (cat. no. 6105.0). Two of these data cubes provide expanded information on labour force underutilisation; while the third provides a time series for forms of employment.

EXTENDED LABOUR FORCE UNDERUTILISATION RATE - DATA CUBE 5

The extended labour force underutilisation rate takes the measure of underutilised labour beyond what is published in Labour Force, Australia (cat. no. 6202). In addition to the unemployed and the underemployed, this measure includes two groups of people with marginal attachment to the labour force:

- persons actively looking for work, who were not available to start work in the reference week, but were available to start work within four weeks; and
- discouraged jobseekers, who are wanting to work, who are available to start work within four weeks, and whose main reason for not looking for work was that they believed they would not find a job for labour market related reasons.

The annual extended labour force underutilisation rate data cube has been updated for 2010 using estimates from *Labour Force, Australia, September 2010* (cat. no. 6202.0) and *Persons not in the Labour Force, Australia, September 2010* (cat. no. 6220.0).

For more information see the Explanatory Notes tab contained within the data cube and the Information Paper: Measures of Labour Underutilisation, 2001 (cat. no. 6296.0).

VOLUME MEASURES OF LABOUR UNDERUTILISATION - DATA CUBE 6

The ABS measures labour underutilisation using two approaches. Measures such as the headline unemployment rate are based on counts of people (headcounts), and indicate the proportion of the population whose labour is underutilised. In addition to these headcount measures, the ABS also produces annual volume measures of labour underutilisation, which are based on the hours of available labour that are unused. These hours-based measures are valuable in analysing and utilising spare capacity within the labour force.

Underutilised hours are comprised of:

- The number of hours of work sought by unemployed workers;
- The number of additional hours sought by part-time underemployed workers; and
- The difference between the number of hours usually worked and actually worked in the reference week by full-time underemployed people.

The annual volume measures of labour underutilisation data cube has been updated using estimates from Job Search Experience, Australia, July 2010 (cat. no. 6222.0), Underemployed Workers, Australia, September 2010 (cat. no. 6265) and *Labour Force, Australia, August 2010* (cat. no. 6202.0).

For more information see the Explanatory Notes tab contained within the data cube and the Technical Report: Volume Measures of Labour Underutilisation in the October 2009 edition of *Australian Labour Market Statistics* (cat. no. 6105.0)

EMPLOYMENT TYPE - DATA CUBE 7

The ABS publishes annual time series on different types of employment arrangements. These include estimates of employees who are not entitled to paid sick leave, paid holiday leave or both (used as one measure of 'casual' employees), and people who operate their own business. The employment type data cube has been updated using estimates from the Forms of Employment, Australia, November 2010 (cat. no. 6359.0) publication.

The updated data cube contains Forms of Employment Survey data from 2008 to 2010. For the period from 1992 to 2007, employment type estimates were derived from the Labour Force Survey and the Employee Earnings, Benefits and Trade Union Membership Survey. For further information regarding the change in data source, refer to the explanatory notes within the employment type data cube.

For more information see the Explanatory Notes tab contained within the data cube, the Spotlight article: "Employment type" in Australian Labour Market Statistics, July 2008 (cat. no. 6105.0), and the Feature article: "Changes in types of employment" in Australian Labour Market Statistics, October 2004 (cat. no. 6105.0).

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Recently Released Supplementary Surveys on Labour Topics

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RECENTLY RELEASED SUPPLEMENTARY SURVEYS ON LABOUR TOPICS

The Monthly Population Survey comprises the Labour Force Survey and a range of supplementary surveys which provide detailed information on a range of topics. Recently released results from supplementary surveys on labour-related topics comprise of: Forms of Employment, Australia (cat. no. 6359.0) and Employee Earnings, Benefits and Trade Union Memberships, Australia (cat. no. 6310.0)

RELEASE OF FORMS OF EMPLOYMENT SURVEY

In April 2011, the ABS released Forms of Employment, Australia, November 2010 (cat. no. 6359.0), which provides information on some of the key factors relating to the nature of employment arrangements in the Australian workforce. Some of the different types of employment arrangements described in this survey include contract work, casual employment and leave entitlements. The survey contains information on employment characteristics, such as hours worked, industry and occupation, and contains the demographic characteristics of people in different types of employment.

There were 1.1 million people who were independent contractors in their main job in November 2010. This represented 9.8% of all employed persons and was an increase from 1.0 million people (9.6% of employed persons) in November 2009.

In November 2010, one in ten (10%) independent contractors worked seven days a week, compared with 4% of employees. Independent contractors were more likely than employees to work both weekdays and weekends (39% of independent contractors compared with 30% of employees).

More details are available from the publication.

RELEASE OF EMPLOYEE EARNINGS, BENEFITS AND TRADE UNION MEMBERSHIP

In May 2011, the ABS released [Employee Earnings, Benefits and Trade Union Membership, Australia, August 2010](#) (cat. no. 6310.0), which presents information about the distribution of weekly earnings of employees, their entitlement to core employment benefits such as paid leave (including paid holiday, paid sick, paid long service and paid maternity/paternity leave), superannuation contributions made by employers on behalf of employees, and trade union membership.

A number of data items presented in the 2009 publication are not available in the 2010 publication as this information was not collected, and several of the remaining data items were modified to ensure consistency with other labour supplementary surveys. For further details, please refer to the publication.

In August 2010, there were 9.8 million employees (5.2 million males and 4.6 million females). Of these, 70% were full-time employees in their main job (84% of male employees and 54% of female employees).

The mean weekly earnings of employees in all jobs in August 2010 was \$1,035, an increase of \$40 since August 2009. Mean weekly earnings in all jobs for males was \$1,227 compared to \$819 for females. Mean weekly earnings for full-time workers was \$1,267 compared to \$468 for part-time workers.

The proportion of employees who were trade union members in their main job decreased from 20% in August 2009 to 18% (1.8 million employees) in August 2010. This was a decrease of 47,300 employees from the previous year.

In August 2010, 90% of all employees had superannuation contributions paid into a superannuation scheme on their behalf by their employer.

In August 2010, there were 9.0 million employees excluding owner managers of incorporated enterprises (4.7 million males and 4.4 million

females). Of these, 2.2 million (24%) did not have paid leave entitlements in their main job (a proxy measure for casual employment), that is, they were not entitled to either paid sick leave or paid holiday leave in their main job (or did not know if they were entitled).

More details are available from the publication.

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Forthcoming changes to Average Weekly Earnings

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FORTHCOMING CHANGES TO AVERAGE WEEKLY EARNINGS

RELEASE OF AVERAGE WEEKLY EARNINGS SURVEY

In May 2011, the ABS released Average Weekly Earnings, Australia, February 2011 (cat. no. 6302.0). This publication contains estimates of average weekly ordinary time earnings and average weekly total earnings for full-time adult employees. It also contains average weekly total earnings for all employees, classified by sector and state or territory and by industry at the Australian level, for males, females and persons.

FORTHCOMING RELEASE OF AVERAGE WEEKLY CASH EARNINGS SERIES

The average weekly cash earnings series inclusive of salary sacrifice is to be released on 18 August 2011 in *Average Weekly Earnings, Australia, May 2011* (cat. no. 6302.0). An information paper titled *Information Paper: Release of Average Weekly Cash Earnings Series* (cat. no. 6302.0.55.003) is to be released on 21 July 2011 outlining the background to the series, the classifications and time periods to be released, and where to find the data on the website.

FREQUENCY CHANGE

The frequency of the average weekly earnings series will change from quarterly to biannual in 2012. It is intended that the May 2012 publication will be the last quarterly issue and the November 2012 publication the first produced on a biannual basis. From 2013 onwards, AWE data will be produced twice a year relating to May and November. A fifteen month notice period is being given to ensure AWE users have sufficient notice of the change.

If you would like further information about the forthcoming changes to Average Weekly Earnings statistics please contact the Manager, Survey of Average Weekly Earnings on Perth (08) 9360 5304.

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Recent Conferences, Workshops and Events

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Recent Conferences, Workshops and Events

Staff from the ABS Labour Statistics Program have recently been involved in a number of conferences, workshops and events, including:

- Introduction to Labour Statistics training
- Social Science Perspectives on the 2008 National Aboriginal and Torres Strait Islander Social Survey (NATSISS) Conference

Introduction to Labour Statistics training

The ABS has recently conducted the Introduction to Labour Statistics in Canberra (on 24 May and 15 June 2011). The course is designed for anyone who uses or needs to understand ABS Labour Statistics. The course provides an overview of the range of concepts and issues associated with ABS labour statistics. It explores the data produced by both household and employer based collections, and highlights the range of products available to access labour-related data.

Courses are currently scheduled for delivery in 2011 for most State / Territory capital cities. For more details about this and other statistical training, or to register interest in a course, please refer to the ABS Training page or contact Kathy Buck on (02) 6252 5981 or email <labour.statistics@abs.gov.au>

Social Science Perspectives on the 2008 National Aboriginal and Torres Strait Islander Social Survey (NATSISS) Conference, Canberra, 11-12 April 2011

'Social Science Perspectives on the 2008 National Aboriginal and Torres Strait Islander Social Survey' was held at The Australian National University in Canberra over two days on 11 and 12 April 2011.

Presented by the Centre for Aboriginal Economic Policy Research (CAEPR) and the Australian Bureau of Statistics (ABS), the conference brought together some leading social scientists writing on Indigenous issues in Australia and internationally. The main aim of the conference was to initiate a conversation between stakeholders and academics about data and the research required to enhance the social science evidence base around Indigenous wellbeing and socioeconomic disadvantage, with particular reference to the 2008 National Aboriginal and Torres Strait Islander Survey (NATSIS).

Over the two days of the conference, papers were presented by leading researchers covering a wide range of topics including: child

development, crime and justice, culture, the customary economy, demography, education, employment, fertility, health, housing, income and financial stress, mobility, poverty, social exclusion, substance abuse and, last but not least, wellbeing.

For more information please visit the events & seminars page on the CAEPR website and click on "Conference 2011".

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Review of ABS Labour Household Surveys

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The Australian Bureau of Statistics is currently undertaking a number of reviews related to the ABS Labour Household Survey program: the Labour Household Survey Content Review and the Labour Force Survey Output Review. This section includes the latest information on these reviews.

This section contains the following subsection :
Labour Household Survey Content Review
Labour Force Survey Output Review

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Labour Household Survey Content Review

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LABOUR HOUSEHOLD SURVEY CONTENT REVIEW: PROPOSED DEVELOPMENTS

Background

The labour household survey program comprises the monthly Labour Force Survey (LFS), as well as a number of labour-related supplementary survey and Multi-Purpose Household Survey (MPHS) topics, which are run in conjunction with the LFS. The Survey of Employment Arrangements, Retirement and Superannuation (SEARS), a six-yearly Special Social Survey, also includes a labour component.

It has been many years since a holistic review of the labour household survey program has been undertaken. Over recent years there have been many changes to the structure of the labour market and the nature of work.

Ad-hoc and survey specific reviews have been conducted from time to time to keep the program as relevant and conceptually robust as possible, but it is critical, and timely, for a holistic review to be undertaken to ensure ABS labour statistics continue to deliver high quality, coherent, conceptually robust and relevant statistics into the future.

There are also increasing cost pressures on the ABS, and as one of the larger programs within the ABS, it is timely to consider the extent to which the labour program meets key user requirements in the most efficient and cost-effective manner.

Current Labour Household Survey Program

The LFS provides key indicators of the labour market, including monthly estimates relating to employment, unemployment, participation, hours worked, and labour force transitions (gross flows); and quarterly estimates relating to underemployment and underutilisation, industry and occupation.

Data are released monthly in [Labour Force, Australia \(cat. no. 6202.0\)](#), with more detailed monthly data released in [Labour Force, Australia, Detailed – Electronic Delivery \(cat. no. 6291.0.55.001\)](#) and detailed quarterly data released in [Labour Force, Australia, Detailed, Quarterly \(cat. no. 6291.0.55003\)](#).

The labour supplementary survey and labour MPHS topics aim to provide more detailed information on labour market issues and/or population groups of interest, to complement and extend the information collected in the LFS on a monthly and quarterly basis.

The following labour surveys are currently included within the labour supplementary surveys program:

- [Employee Earnings, Benefits and Trade Union Membership \(cat. no. 6310.0\) - annual, August](#)
- [Forms of Employment \(cat. no. 6359.0\) - annual, November](#)
- [Working Time Arrangements \(cat. no. 6342.0\) - three-yearly, November](#)
- [Locations of Work \(cat. no. 6275.0\) - six-yearly, November](#)
- [Underemployed Workers \(cat. no. 6265.0\) - annual, September](#)
- [Persons Not in the Labour Force \(cat. no. 6220.0\) - annual, September](#)
- [Labour Mobility \(cat. no. 6209.0\) - two-yearly, February](#)
- [Labour Force Experience \(cat. no. 6206.0\) - two-yearly, February](#)
- [Job Search Experience \(cat. no. 6222.0\) - annual, July](#)

There are also other sub-topics which are included within the topics identified above (e.g. detailed benefits module collected and published six-yearly within the Employee Earnings, Benefits and Trade Union Membership survey; Labour Hire module collected and published three-yearly within the Forms of Employment Survey).

The following labour topics are included within the labour MPHS program (collected on a financial year basis):

- [Barriers and Incentives to Labour Force Participation \(cat. no. 6239.0\) - two-yearly](#)

- [Retirement and Retirement Intentions \(cat. no. 6238.0\) - two-yearly](#).
- [Work-Related Injuries \(cat. no. 6342.0\) - four-yearly](#).

The review

This review aims to make improvements to the labour household survey program to ensure:

- labour program content, and frequency, is based on key priorities and requirements;
- the data are more integrated and coherent, to ensure inter-related data are collected together;
- the conceptual underpinnings are robust and coherent, and reflect contemporary interest in labour market issues;
- duplication of content is minimised; and
- ongoing enhancements (e.g. to reflect emerging priorities) are able to be made more efficiently and in a more coordinated manner.

This review is primarily focussed on the content of the labour supplementary surveys (and to a lesser extent the MPHS topics), including the inter-relationships between the topics, and their timing and frequency.

Consideration is also being given to the current content of the core monthly and quarterly LFS: the extent to which it continues to provide key contemporary labour market indicators, considering emerging priorities; and the relationships between content of the LFS and the supplementary survey and the MPHS topics.

This is to ensure that any revised program is based on a holistic 'labour household survey information set' perspective, rather than being constrained on the basis of the existing content of current surveys.

Proposed directions for the labour household survey program

A number of potential changes have been identified for the core (monthly and quarterly) LFS, the labour supplementary surveys, and the labour MPHS. These proposed changes are discussed below.

It should be noted that these are only proposals at this stage. No decisions have been made as to which, if any, proposals will be implemented, nor has any testing been undertaken to assess the feasibility.

Labour Force Survey

A number of developments are being explored in relation to the content of the core (monthly and quarterly) LFS which may improve conceptual robustness and relevance, improve the frequency/timeliness of key data, or enable critical linkages that are not currently possible. The proposed changes include:

- further development in labour underutilisation measures, such as:
 - increasing the frequency of the LFS underemployment and labour force underutilisation measures - from quarterly to monthly;
 - increasing the frequency of the volume (hours-based) measures of labour force underutilisation - from annual to quarterly; and
 - increasing the scope of the underemployment/underutilisation measures to identify all potentially underemployed people, in particular asking questions about wanting to work more hours of persons employed full-time, to provide a more complete picture of available labour supply.
- the development of a longitudinal LFS Confidentialised Unit Record File (CURF);
- the inclusion of additional information into the LFS on a monthly or quarterly basis – such as educational attainment, citizenship/visa status, sector and a retrenchment indicator;
- the incorporation of non-LFS information collected frequently, i.e. in multiple supplementary surveys, into the core LFS to provide a useful time series - such as entitlements to paid holiday/sick leave to provide LFS time series information on casual work; and
- other conceptual/output improvements - such as combining the Status in Employment (SIE) and Employment Type (ET) classifications into a single, labour market relevant classification. See the Fact Sheet: Employment Classifications in this issue for more details about the different classifications.

The improvements described above will result in a slightly expanded monthly and quarterly Labour Force Survey content. Any enhancements in this area will need to be fully offset by the proposed streamlined labour supplementary surveys content.

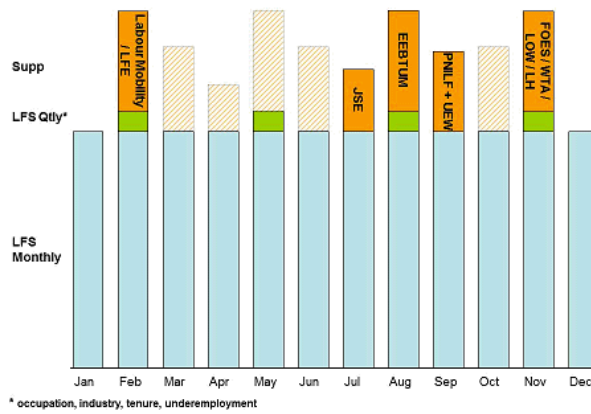
Labour Supplementary Surveys

Labour supplementary surveys are currently conducted across 5 months of the year – February, July, August, September and November. There are also a number of other non-labour topics run as supplementary surveys in other months (shaded in figure 1 below).

Figure 1 shows the current labour supplementary survey program. In summary:

- the Labour Mobility Survey and Labour Force Experience Survey are run two-yearly in February, in alternate years;
- the Job Search Experience Survey is run annually in July;
- the Employee Earnings, Benefits and Trade Union Membership Survey is run annually in August;
- the Underemployed Workers Survey and Persons Not in the Labour Force Survey are both run annually in September;
- the Forms of Employment Survey is run annually in November. This also includes a Working Time Arrangements Survey run every three years, a Labour Hire module run every three years, and a Locations of Work Survey run every six years.

Figure 1: Current LFS and labour supplementary survey program

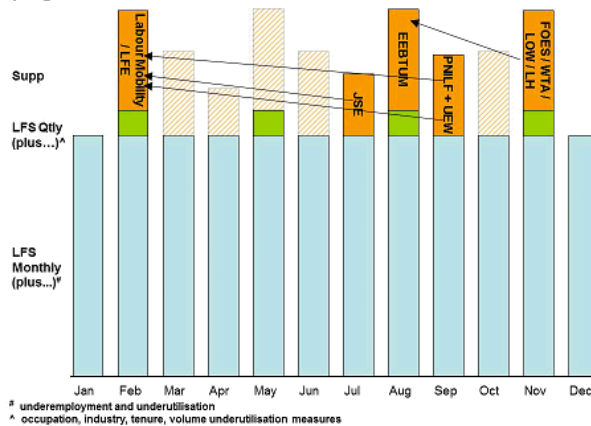


With the potential changes to the core monthly and quarterly LFS (outlined above) as a starting point, and taking into consideration the current overlaps/linkages in survey content, the following changes to the overall labour supplementary survey program are proposed:

- integrating the key elements of the annual Employee Earnings, Benefits and Trade Union Membership (EEBTUM) Survey, annual Forms of Employment Survey (FOES), and three-yearly Working Time Arrangements (WTA) Survey into a single consolidated survey - to be run annually in August;
- integrating the key elements of the two-yearly Labour Mobility Survey, annual Job Search Experience (JSE) Survey, annual Underemployed Workers (UEW) Survey, and annual Persons Not in the Labour Force (PNILF) Survey into a single consolidated survey - to be run annually in February;
- no longer conducting the six-yearly Locations of Work (LOW) Survey (although basic information about main location worked may still be captured) - this information is collected with the same frequency in the Survey of Employment Arrangements, Retirement and Superannuation (SEARS);
- no longer conducting the two-yearly Labour Force Experience (LFE) Survey - LFE appears to receive minimal use, and the proposed development of a longitudinal LFS CURF should provide more meaningful experience/transitional information; and
- no longer collecting the infrequent Benefits module (currently collected as part of the EEBTUM survey on a six-yearly basis).

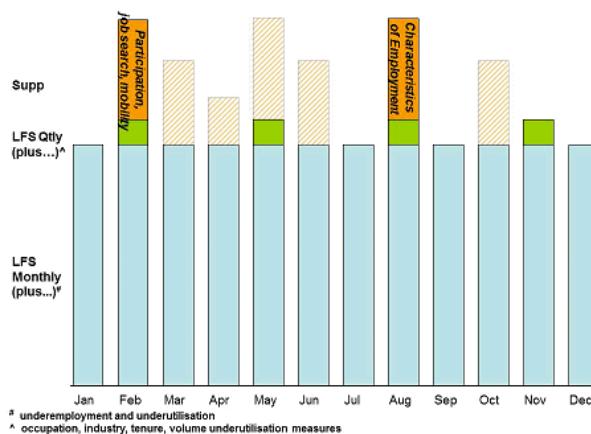
Figure 2 illustrates the changes/movement of surveys as discussed above.

Figure 2: Proposed changes to LFS and labour supplementary survey program



These changes would result in the labour supplementary survey program including two labour supplementary surveys per year instead of the current five - run in February and August, with labour supplementary surveys no longer collected in July, September and November. Figure 3 shows the proposed new program.

Figure 3: Proposed LFS and labour supplementary survey program



The February labour supplementary survey would contain question modules related to participation, job search and mobility, underemployment, and underutilisation.

Due to the large amount of relevant content, the August supplementary surveys would likely comprise a core annual component, comprising around 75% of the overall content, with the remaining content included every two years on a rotating basis. The core component would contain question modules on characteristics of employment, such as earnings, employment arrangements, job flexibility and trade union membership. The first of the two biennial modules would contain more detailed questions on earnings and trade union membership, and questions around labour hire and locations of work. The second of the two biennial modules would contain question modules on independent contracting, and more detailed questions on employment arrangements and job flexibility, and questions around job stability and scheduling.

Further details on the possible data items to be included in these modules are available on request. At this stage, the list of possible data items is only indicative, and the content may need to be further refined. The final content will be subject to testing and a statistical impact study to ensure that the size of the modules will not have an adverse impact on respondents or on LFS estimates.

Advantages of the proposed supplementary survey program

The February supplementary survey would provide a single survey/dataset which explores the key issues around unemployment and underemployment, participation, job change and job search - currently, the PNILF, UEW and JSE surveys all collect some information relating to participation or increasing participation (e.g. for people looking for work/looking for more work, steps taken to find work/more work, reasons not looking for work/not looking for more work), while the JSE and Labour Mobility surveys both collect information relating to jobs started in the last year.

The August supplementary survey would provide a single survey/dataset which describes the key elements of people's employment - currently, the EEBTUM Survey, FOES, and WTA Survey all collect information describing people's employment, but each only provide part of the picture in understanding the nature of people's employment and related outcomes, e.g. relating earnings and working arrangements.

Reducing the labour supplementary survey program from five surveys to two would also free up space for other surveys to be run, e.g. to respond to emerging labour or social issues.

Labour Multi-Purpose Household Surveys

As outlined above, there are currently three labour-related topics included in the MPHS program:

- the two-yearly Barriers and Incentives to Labour Force Participation Survey;
- the two-yearly Retirement and Retirement Intentions Survey; and
- the four-yearly Work-Related Injuries Survey.

It is proposed to continue to collect these topics in the MPHS, and at the current frequency. However, the following changes are proposed:

- the 'Incentives module', which is currently only collected every second time the B&I survey is conducted, be added into the core two-yearly B&I survey;
- the scope of the B&I survey be expanded to include all underemployed people – currently only employed persons working 15 hours or fewer per week are included, as they were considered to be the group who could provide the largest additional contribution (in hours) to labour supply, however underemployed people working more than 15 hours account for the majority of underemployed people and are also more likely to want a greater number of additional hours; and
- the R&RI Survey continue to be conducted on a two-yearly basis.

The increase in frequency of the 'Incentives module', and the increase in scope of the Barriers and Incentives survey would likely result in a slight reduction in content. Investigations of the impact, and resulting content would be progressed in the development of the next survey.

Issues for consideration

Feedback is sought on the proposed changes to the labour household survey program, including:

- the usefulness of the proposed additions to the core LFS;
- the proposed consolidation of the labour supplementary survey program from five to two annual surveys;
- the content of the proposed labour supplementary surveys;
- whether there are any key data gaps (existing or emerging) within the revised program;
- content included in the proposed program that is considered a lower priority (i.e. that could be omitted if necessary); and
- whether there are any other improvements you would like see made to LFS or the labour supplementary survey or MPHS topics.

Submissions to the review can be emailed to <labour.statistics@abs.gov.au>. For more information on the review, please contact Michael Gerrity on (02) 6252 5514 or email <m.gerrity@abs.gov.au>.

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Labour Force Survey Output Review

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LABOUR FORCE SURVEY OUTPUT REVIEW

Introduction

The monthly Labour Force Survey (LFS) is the most important ABS labour collection, providing timely information on labour market activity within Australia. The LFS provides information about the performance of the economy, and provides insight into people's participation in the labour force, success in finding employment and working hours.

In addition to fulfilling the survey's primary purpose of providing monthly employment and unemployment measures at the national and state/territory levels, the LFS supports estimates for regions, occupation and industry, actual and usual hours worked, educational attendance, labour force transitions (gross flows), families, relationships in household, quarterly labour underutilisation measures and aggregate monthly hours worked.

With the increasing capacity and ease of electronic publication, the ABS has significantly increased the range of products available from the LFS in recent years, to the extent that there are now in excess of 50 products, such as publication, time series spreadsheet or datacube, released routinely every month, with close to 100 products released on either a monthly, quarterly or annual basis. In an environment of increasing resource pressures it is timely to review these products to ensure relevance and value for money.

Below is a brief summary of the key aspects being considered in this review.

Current LFS Products

The current suite of LFS products under review are outlined below (and more detailed information is available on request).

Labour Force, Australia (cat. no. 6202.0)

- Main economic indicator
- Released on a monthly basis
- First release:
 - Australia, State/Territory level
- Consists of electronic publication (Adobe Acrobat (pdf)), 23 time series spreadsheets and GM1 data cube (gross flows) (more details are available on request).

Labour Force, Australia, Detailed - Electronic Delivery (cat. no. 6291.0.55.001)

- Released on a monthly basis one week after release of 6202.0.
- Second release:
 - Australia, State, Labour Force Dissemination Region level
- Consists of 13 time series spreadsheets and 23 data cubes

Labour Force, Australia, Detailed - Quarterly (cat. no. 6291.0.55.003)

- Quarterly release (data collected in quarter months; February, May, August, November), released one week after the corresponding 6202.0 release.
- Second release:
 - Australia, State, Labour Force Dissemination Region level
 - Industry and Occupation data
- Consists of 7 time series spreadsheets and 18 data cubes (more details are available on request).

Labour Force, Australia: Labour Force Status and Other Characteristics of Families (cat. no. 6224.0.55.001)

- Annual release (data collected in June)
- Consists of 5 data cubes (more details are available on request).

Labour Force Characteristics of Aboriginal and Torres Strait Islander Australians, Estimates from the Labour Force Survey (cat. no. 6287.0)

- Annual release (compilation of data from all 12 months of the year)
- Consists of electronic publication (pdf), 8 data cubes (xls) (more details are available on request).

The Review

Maintaining a relevant product suite of LFS data which reflects changes in the Australian labour market is a constant challenge. In order to improve the presentation and relevance of LFS products, the ABS is currently undertaking a review of LFS output.

The ABS is undertaking user consultation and is seeking comments and feedback from users about the current LFS product set, specifically; what LFS data users deem critical for Labour Force, Australia (cat. no. 6202.0) release, and frequency of use (monthly or quarterly). Further user consultation is likely to occur to seek feedback on any proposed changes to the LFS product set. Once the review has been finalised, an information paper will be released to inform users about any upcoming changes, and the timing of implementation.

Desired outcomes of the LFS Output review include:

- a more relevant LFS product set for Labour Force, Australia (cat. no. 6202.0) release based on key priorities and requirements of users;
- a more manageable set of time series spreadsheets and data cubes;
- smaller files for time series spreadsheets and data cubes, making it easier for users to download, to facilitate easier down loading for users; and
- an improved presentation of LFS summary statistics on the ABS website and first page of the Labour Force, Australia (cat. no. 6202.0) publication.

In addition to the LFS Output review, the Labour Household Surveys Review is also being conducted at the same time. The Labour Household Survey Program Review aims to make improvements to the labour household survey program to ensure content and frequency are based on key priorities and requirements. The mix of content between these surveys and information collected in the core monthly and quarterly Labour Force Survey (LFS), as well as the extent to which the current LFS contains the key contemporary labour market indicators, will also be considered. Although both reviews are being carried out separately, outcomes of the Labour Household Surveys Review may have implications for the LFS Output review.

Issues for consideration

There are a number of issues that are being considered for which feedback from labour statistics users is being sought. Some of the questions/issues we are exploring include:

- what key times series spreadsheets/data cubes in the current LFS product set are deemed critical for Labour Force, Australia (cat. no. 6202.0), i.e. the more timely first release?
- which data items and cross classificatory variables are considered essential?
- are there any quarterly data that is needed on a monthly basis?
- are there any monthly data that could be released quarterly?
- are there key data items not covered in Labour Force, Australia (cat. no. 6202.0)? If so, what are they?
- how far back is access to time series spreadsheets/data cubes required? Is it critical to access all time series data back to February 1978?
- is the the summary commentary in the Labour Force, Australia (cat. no. 6202.0) publication read by users? Is it useful?
- what would be the impact if the ABS moved time series spreadsheets 15 and 16 (educational status) from Labour Force, Australia (cat. no. 6202.0) to Labour Force, Australia, Detailed - Electronic Delivery (cat. no. 6291.0.55.001), and removed tables 13-16 from the Labour Force, Australia (cat. no. 6202.0) publication?
- what would be the impact if the ABS ceased producing Labour Force Characteristics of Aboriginal and Torres Strait Islander Australians, Estimates from the Labour Survey (cat. no. 6287.0)?
- the ABS is currently investigating ways of improving the quality of regional estimates. One possibility is to use estimation methods to create quarterly averages only, instead of being released monthly. Are there any concerns with this approach?
- are there any concerns if 'social marital status' was removed entirely from the current LFS product set?

Further information

For detailed information on the LFS product suite under review, as well as for further information about the review, including information on how to provide feedback to the review team, please contact Catherine Thomas on (02) 6252 7879 or email <catherine.thomas@abs.gov.au>.

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Trends in employee methods of setting pay and jurisdictional coverage

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FEATURE ARTICLE: TRENDS IN EMPLOYEE METHODS OF SETTING PAY AND JURISDICTIONAL COVERAGE

INTRODUCTION

Statistics regarding how employees' pay is set (such as through awards or agreements) are of interest in the context of workplace relations reforms and the formulation of workplace relations and wages policy. Recent changes to the workplace relations system, firstly through the introduction of the **Workplace Relations Amendment (WorkChoices) Act 2005** and the subsequent **Fair Work Act 2009** have renewed

interest in employees' methods of setting pay, especially at the jurisdictional level where pay setting arrangements are covered. In particular, the extent of 'award reliance' is of interest in relation to the annual Federal Minimum Wage determination that affect employees covered by the federal jurisdiction (or national workplace relations system).

The two-yearly Survey of Employee Earnings and Hours, last conducted in respect of May 2010, contains statistics on the composition and distribution of employee earnings and hours for which paid, as well as information on how employees' pay is set - by award only, collective agreement or individual arrangement. Estimates from this survey are used by government departments, employer associations, trade unions, welfare groups and academic researchers to develop and review wages and labour market policies, to inform the award determination process, and for research into various aspects of the labour market.

This article provides the latest information on methods of setting pay and jurisdictional coverage, as well as trends over time. It focuses on employees in the federal jurisdiction and presents information on a range of job characteristics, including industry, occupation and full-time/part time status. Finally, this article characterises the distribution of employee earnings for each of the methods of setting pay for those in the federal jurisdiction.

BACKGROUND

The workplace relations environment

Estimates from the publication Employee Earnings and Hours, Australia, May 2010 (cat. no. 6306.0) were compiled based on the workplace relations environment following the introduction of the **Fair Work Act 2009** and the subsequent introduction of the **Fair Work (State Referral and Consequential and Other Amendments) Act**, which allowed for the extension of the **Fair Work Act** to states that refer workplace relations related matters to the Commonwealth. From 1 January 2010, private sector employers in New South Wales, Queensland, South Australia and Tasmania were covered by the national system. The Fair Work system replaced the **Workplace Relations Amendment (Work Choices) Act 2005** that was in place at the time of the August 2008 Survey of Employee Earnings and Hours.

The key elements of the Fair Work system include:

- a legislated safety net of 10 National Employment Standards;
- new modern awards; and
- revised enterprise bargaining arrangements, including the cessation of registered individual agreements.

Under the Fair Work system, the majority of employees come under the federal jurisdiction. The following groups of employers (and consequently their employees) are covered by the national system:

- constitutional corporations (including financial or trading corporations - generally Pty Ltd or Ltd);
- the Commonwealth and Commonwealth authorities;
- employers who employ flight crews, maritime employees or waterside workers;
- all employers in the Australian Capital Territory and Northern Territory;
- most Victorian employers; and
- private sector employers in New South Wales, Queensland, South Australia and Tasmania.

The following groups of employers (and consequently their employees) are generally not covered by the national system:

- State government;
- Australian corporations whose main activity is not trading or financial; and
- sole traders and partnerships in Western Australia.

Jurisdictional coverage

Employees are deemed to be under the federal or state workplace relations jurisdictions for pay-setting purposes based on the legal status of their employer and the prevailing pay-setting instrument that applies to their employees.

Methods of setting pay

Information on the methods of setting pay for employees (excluding owner managers of incorporated enterprises) refers to how the main part of an employee's pay was set, or determined, in the survey reference period:

- Employees classified to 'Award only' had their rate of pay specified by an award and were not paid more than that award rate of pay.
- Employees classified to the 'Collective agreement' category had the main part of their pay set by collective agreement, or an enterprise award.
- Employees in the 'Individual arrangement' category include those who had the main part of their pay set by an individual contract, registered individual agreement (e.g. Australian Workplace Agreement), common law contract, or an agreement to receive over award payments.

Owner managers of incorporated enterprises - persons who worked in their own incorporated business - were excluded from the method of setting pay classification and, as a result, were identified separately.

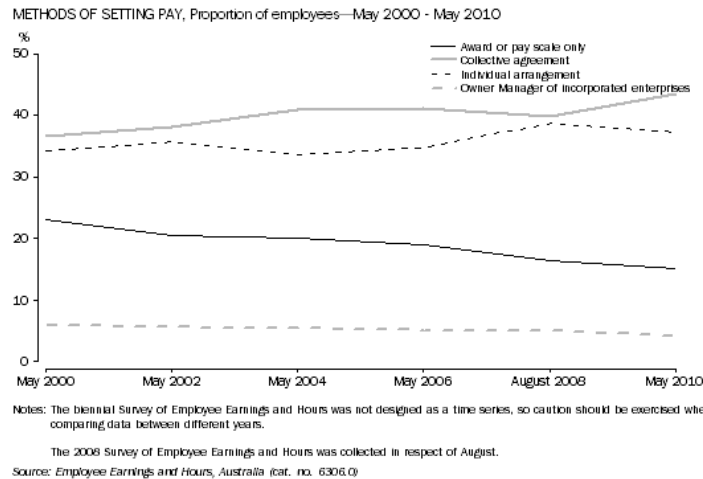
TRENDS IN EMPLOYEE METHODS OF SETTING PAY AND JURISDICTIONAL COVERAGE

Methods of setting pay

The **Fair Work Act 2009** places an emphasis on 'enterprise level collective bargaining agreements' as the preferred method of setting pay over (registered) individual agreements. In May 2010, the most common method of setting pay for all employees was collective agreements (43%), while a further 37% of employees had their pay set through an individual arrangement. In line with the **Fair Work Act 2009** containing no provisions for federally registered individual statutory agreements (formerly known as Australian Workplace Agreements), almost all (98%) individual arrangements were unregistered. 'Award only' was the least common method of setting pay (15%) in May 2010.

Collective agreements have been the most common method of setting pay for the past decade, with the proportion of employees whose pay

was set by this method increasing by 7 percentage points from May 2000 (37%) to May 2010 (43%). The proportion of employees with their pay set by an individual arrangement has increased by 3 percentage points in the 10 years to May 2010, from 34% to 37%. In a sign of the shift away from centralised pay setting arrangements, the proportion of employees whose pay was set by award only has decreased 8 percentage points from 23% in May 2000 to 15% in May 2010.



Jurisdictional coverage

In light of recent changes to Australia's workplace relations system, the majority of employees are now in the federal jurisdiction. To better understand the distribution of employees between the federal and state jurisdiction, this section presents jurisdictional coverage estimates between 2006 and 2010, and 2010 estimates disaggregated by state and sector.

In May 2010, 87% of employees (7.8 million) were in the federal workplace relations jurisdiction. This represents an increase of 9 percentage points since August 2008. The proportion of employees in the state jurisdiction fell from 13% in August 2008 to 9% (833,000 employees) in May 2010. This in part reflects the referral of several states' workplace relations powers with respect to sole traders and partnerships to the Commonwealth,

Table 1. JURISDICTIONAL COVERAGE OF EMPLOYEES PAY-SETTING ARRANGEMENTS, Australia: Proportion of employees - May 2006 - May 2010

| | May 2006 % | August 2008 % | May 2010 % |
|---|---------------|------------------|---------------|
| Federal jurisdiction | | | |
| Federal award or agreement(a) | 36.1 | 42.0 | 44.9 |
| State award or agreement(b) | 9.8 | 1.3 | 3.5 |
| Unregistered arrangement(c) | 28.2 | 30.2 | 34.6 |
| Owner manager of incorporated enterprises | 5.1 | 5.0 | 4.1 |
| Total federal jurisdiction | 79.1 | 78.5 | 87.2 |
| State jurisdiction | | | |
| State award or agreement | 8.8 | 10.0 | 8.5 |
| Unregistered arrangement(c) | 3.2 | 2.9 | 0.8 |
| Total state jurisdiction | 11.9 | 13.0 | 9.3 |
| Unable to be determined(d) | 9.0 | 8.6 | 3.6 |
| Total | 100.0 | 100.0 | 100.0 |

- (a) Includes employees transitioning out of the federal jurisdiction.
 (b) Employees transitioning into the federal jurisdiction.
 (c) Includes employees receiving over award pay.
 (d) Employees whose jurisdictional coverage for pay setting was unable to be determined.

Source: Employee Earnings and Hours, Australia (cat. no. 6306.0)

By state

With the introduction of the **Workplace Relations Amendment (Work Choices) Act 2005**, all constitutional corporations entered the federal jurisdiction, joining employers in Victoria, the Australian Capital Territory and Northern Territory who were already in the federal jurisdiction. Following the introduction of the **Fair Work Act 2009**, all remaining states, with the exception of Western Australia, referred their workplace relations powers to the Commonwealth.

State government employers in New South Wales, Queensland, South Australia and Western Australia; Tasmanian Commonwealth and state public sector employers; and Western Australian private sector employers that are not constitutional corporations remain in their respective state jurisdictions.

In May 2010, Western Australia had the highest proportion of employees in the state jurisdiction (22%), while New South Wales had the lowest (10%).

Table 2. JURISDICTIONAL COVERAGE OF EMPLOYEES PAY-SETTING ARRANGEMENTS, States and Territories: Proportion of employees - May 2010

| | NSW % | Vic % | Qld % | SA % | WA % | Tas % | NT % | ACT % | Aust % |
|-------------------------------|----------|----------|----------|---------|---------|----------|---------|----------|-----------|
| Federal jurisdiction | | | | | | | | | |
| Federal award or agreement(a) | 36.4 | 59.2 | 40.4 | 41.8 | 37.1 | 50.4 | 61.4 | 73.6 | 44.9 |
| State award or agreement(b) | 5.2 | - | 6.5 | 7.5 | *0.1 | 3.3 | - | - | 3.5 |
| Unregistered arrangement(c) | 39.1 | 36.6 | 33.5 | 31.3 | 25.0 | 25.6 | 34.9 | 24.0 | 34.6 |

| | | | | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Owner manager of incorporated enterprises | 4.8 | 4.2 | 3.7 | 3.5 | 3.6 | 2.8 | 3.7 | *2.4 | 4.1 |
| Total federal jurisdiction | 85.5 | 100.0 | 84.2 | 84.0 | 65.8 | 82.1 | 100.0 | 100.0 | 87.2 |
| State jurisdiction | | | | | | | | | |
| State award or agreement | 9.9 | — | *12.9 | 13.6 | 14.9 | np | - | - | 8.5 |
| Unregistered arrangement(c) | — | — | — | *0.1 | 6.8 | np | - | - | 0.8 |
| Total state jurisdiction | 9.9 | — | 12.9 | 13.7 | 21.7 | *15.6 | - | - | 9.3 |
| Unable to be determined(d) | 4.6 | — | 2.9 | *2.3 | 12.4 | 2.2 | - | - | 3.6 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

* estimate has a relative standard error of 25% to 50% and should be used with caution

np not published

— nil or rounded to zero (including null cells)

(a) Includes employees transitioning out of the federal jurisdiction.

(b) Employees transitioning into the federal jurisdiction.

(c) Includes employees receiving over award pay.

(d) Employees whose jurisdictional coverage for pay setting was unable to be determined.

Source: Employee Earnings and Hours, Australia (cat. no. 6306.0)

By sector

In Western Australia, 77% of private sector employees were in the state jurisdiction in May 2010. In all other states and territories all private sector employees were in the federal jurisdiction. Overall, 98% of private sector employees in Australia were in the federal jurisdiction compared with 46% of public sector employees. Of those states with their own workplace relations systems, the state with the highest proportion of public sector employees in the state jurisdiction was South Australia (64%). All public sector employees in Victoria, the Northern Territory and the Australian Capital Territory were in the federal jurisdiction.

Table 3. JURISDICTIONAL COVERAGE OF EMPLOYEES PAY-SETTING ARRANGEMENTS, States and Territories: By sector:
Proportion of employees - May 2010

| | NSW % | Vic % | Qld % | SA % | WA % | Tas % | NT % | ACT % | Aust % |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Private Sector | | | | | | | | | |
| Federal jurisdiction (a) (b) (c) | 100.0 | 100.0 | 100.0 | 100.0 | 76.7 | 100.0 | 100.0 | 100.0 | 97.6 |
| State jurisdiction (c) | — | — | — | — | 12.0 | — | — | — | 1.3 |
| Unable to be determined(d) | — | — | — | — | 11.3 | — | — | — | 1.2 |
| Total private sector | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Public Sector | | | | | | | | | |
| Federal jurisdiction (a) (b) (c) | 19.8 | 100.0 | 24.2 | 25.7 | 28.0 | 33.0 | 100.0 | 100.0 | 46.4 |
| State jurisdiction (c) | 54.8 | — | 61.9 | 63.7 | 55.4 | 58.7 | — | — | 40.7 |
| Unable to be determined(d) | 25.4 | — | 13.8 | *10.6 | 16.5 | *8.3 | — | — | 12.9 |
| Total public sector | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

* estimate has a relative standard error of 25% to 50% and should be used with caution

— nil or rounded to zero (including null cells)

(a) Includes employees transitioning out of the federal jurisdiction.

(b) Employees transitioning into the federal jurisdiction.

(c) Includes employees receiving over award pay.

(d) Employees whose jurisdictional coverage for pay setting was unable to be determined.

Source: Employee Earnings and Hours, Australia (cat. no. 6306.0)

EMPLOYEES IN THE FEDERAL JURISDICTION PAID BY AWARD ONLY

Overview

Under the **Fair Work Act 2009**, Fair Work Australia (FWA) is the body responsible for setting minimum and award wages and conditions for employees in the national workplace relations system, through annual determinations. Employees (and their employers) in the federal jurisdiction whose method of setting pay was award only are directly impacted by FWA determining a change in award wages.

The minimum wage or award determination may also have an indirect effect on other employees in the federal jurisdiction who have an individual arrangement if, for example, they have an arrangement to receive over award payments (such as a set dollar amount or percentage above the award rate). Award rates may also impact on employees whose pay is set by collective agreement due to application of the 'better off overall test', against the relevant modern award. While these broader groups of employees may have their pay affected by changes to awards the data from the Survey of Employees and Hours are not able to identify all employees who are 'award reliant'. Therefore, this section will only profile employees in the federal jurisdiction whose pay was set by award only, in terms of their employment arrangements and job characteristics.

In May 2010, 1.3 million employees in the federal jurisdiction had their pay set by award only (15% of all employees). Award only employees comprised:

- 12% of all male employees and 17% of all female employees;
- 9% of all full-time employees and 25% of all part-time employees;
- 45% of employees in the Accommodation and food services industry and 30% of employees in the Administrative and support services industry; and
- 31% of Community and personal service workers and 27% of Labourers.

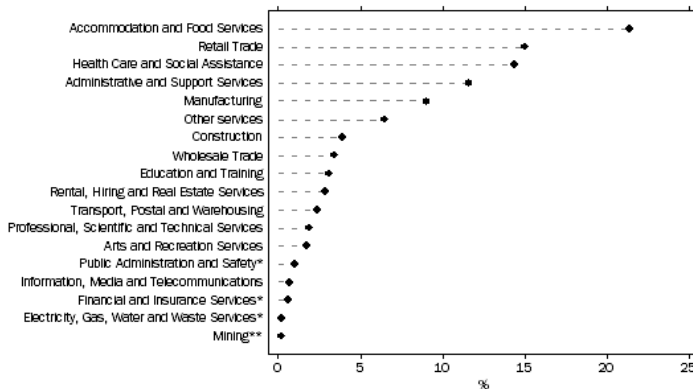
In May 2010, 39% of federal award only employees worked full-time whilst 61% worked part-time. This is in direct contrast to the full-time/part-time status of all employees in the federal jurisdiction, with 63% working on a full-time basis. Female award only employees were more likely work part-time (71%), while male award only employees were more likely to work full-time (54%).

By industry and occupation

Award only employees are heavily concentrated in certain industry divisions. In May 2010, half of all federal award only employees were employed in either the Accommodation and food services (21%), Retail trade (15%) or Health care and social assistance (14%) industries. In

contrast, each of the following industries contained less than 1% of employees paid by award only: Information, media and telecommunications; Financial and insurance services; Electricity, gas, water and waste services; and Mining .

FEDERAL JURISDICTION - AWARD ONLY, Proportion of employees—By Industry—May 2010



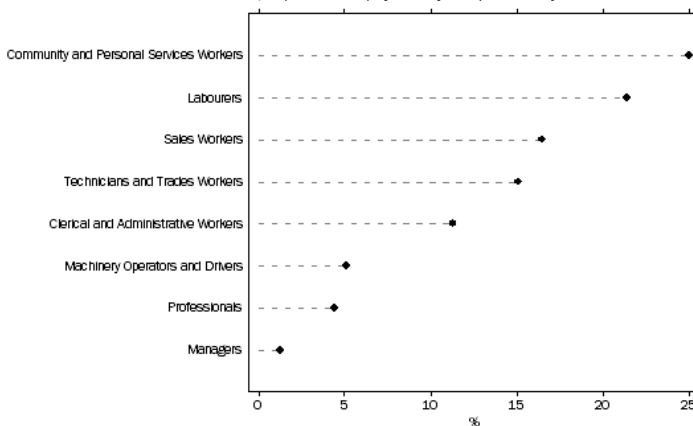
* estimate has a relative standard error of 25% to 50% and should be used with caution

** estimate is subject to sampling variability too high for most practical purposes

Source: Employee Earnings and Hours, May 2010 (cat. no. 6306.0)

Award only employees were also more heavily concentrated in particular occupation groups. For example, 1 in 4 federal award only employees were Community and personal service workers (25%), and 1 in 5 were Labourers (21%), whereas only 1% were Managers.

FEDERAL JURISDICTION - AWARD ONLY, Proportion of employees—By Occupation—May 2010



Source: Employee Earnings and Hours, May 2010 (cat. no. 6306.0)

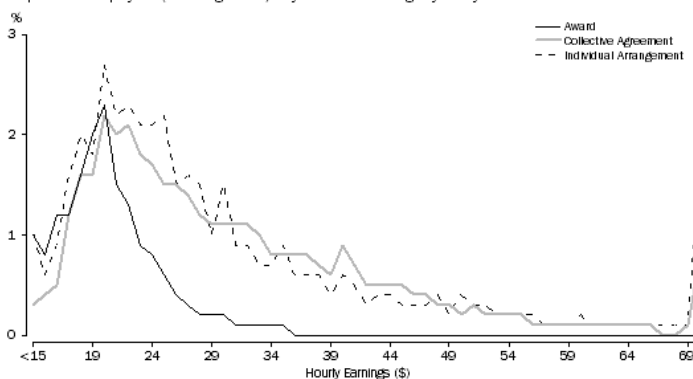
EARNINGS

Award only employees are often viewed as minimum wage reliant. However, not all award only employees are lower paid, and not all lower paid employees are paid by award only. This section presents the distribution of employee earnings in the federal jurisdiction for those whose pay is set by award only with reference to other pay setting methods.

Distribution of total hourly cash earnings

There were 7 million non-managerial adult employees (excluding OMIEs) in the federal jurisdiction in May 2010. The distribution of hourly total cash earnings shows that 45% of these employees who had their pay set by award only earned less than \$20 per hour, compared with 14% of those on a collective agreement and 19% of those who had an individual arrangement. At the higher end of the earnings distribution, less than 1% of award only employees earned more than \$50 per hour compared with 8% of employees covered by a collective agreement and 11% of employees on an individual arrangement.

FEDERAL JURISDICTION - DISTRIBUTION OF ADULT NON-MANAGERIAL TOTAL HOURLY CASH EARNINGS, Proportion of employees (excluding OMIEs)—by Method of Setting Pay—May 2010



Excludes adult employees (excluding OMIEs) who earned less than \$1 per hour which may include those on the supported wage system, those paid by a piece rate, or commission based agreements.

Source: Employee Earnings and Hours, May 2010 (cat. no. 6306.0)

While the hourly earnings of award only employees in the federal jurisdiction are more heavily concentrated in the lower pay ranges than with the other methods of setting pay, they do not account for all lower paid employees. Non-managerial adult employees (excluding OMIEs) who earned under \$20 an hour were just as likely to have their pay set through an individual arrangement (37%) as by award only (36%) compared to by collective agreement (27%). This suggests that not all lower paid employees receive a direct benefit from any increase in award wages from FWA, not withstanding efforts by employers to increase over award wages in order to remain competitive.

FURTHER INFORMATION

For further information, please contact Matt Dillon on Canberra (02) 6252 5183 or email <matt.dillon@abs.gov.au>.

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Fact Sheet: Employment Classifications

FACT SHEET: EMPLOYMENT CLASSIFICATIONS

OVERVIEW

The ABS publishes monthly estimates of the number of employed people in Australia. In addition, the ABS collects a range of information describing the nature of people's employment, in order to better understand and describe the structure of the labour market. Information about the nature of working relationships and employment arrangements in the Australian workforce is essential for a wide range of social and economic policy and planning purposes. Furthermore, statistics based on standards and measures relating to employment are used to satisfy obligations to national and international communities. For example, estimates of Australia's gross domestic product using the income approach rely on an accurate measure of the compensation of employees, which is in turn reliant on a standard that consistently defines 'employees'.

There are currently three different classifications that the ABS uses to differentiate between types of employment:

- Status in Employment;
- Employment Type; and
- Form of Employment.

Each of these classifications provides a valuable framework for understanding employment, and although related, each classification presents an alternative perspective on employment which is useful for different purposes. This fact sheet compares these classifications and provides an explanation of their intended uses, as well as their limitations.

STATUS IN EMPLOYMENT

The Status in Employment classification is based on the International Labour Organisation's (ILO) resolution at the Fifteenth International Conference of Labour Statisticians (ICLS) concerning the International Classification of Status in Employment (ICSE-93). It classifies the employed population into categories based on the job holder's perception of the relationship between themselves and their employer, as well as the legal status of their employer (where possible).

The Status in Employment categories are:

- Employee - a person who works for a public or private employer and receives remuneration in wages, salary, a retainer fee from their employer while working on a commission basis, tips, piece-rates, or payment in kind; or a person who operates his or her own incorporated enterprise with or without hiring employees;
- Employer - a person who operates his or her own unincorporated economic enterprise or engages independently in a profession or trade, and hires one or more employees;
- Own account worker - a person who operates his or her own unincorporated economic enterprise or engages independently in a profession or trade, and hires no employees; and
- Contributing family worker - a person who works without pay in an economic enterprise operated by a relative.

The standard output from the Labour Force Survey is based on the Status in Employment classification. Estimates based on this classification are also available from most other ABS household surveys, including the Labour Force supplementary surveys, Special Social Surveys, and the Census of Population and Housing.

EMPLOYMENT TYPE

Employment Type classifies employed people according to the nature of their employment relationship or contract. While both Status in Employment and Employment Type enable an assessment of the characteristics of the workforce and the extent of self employment, Status in Employment only allows for the identification of owner managers of unincorporated enterprises ('Employers' and 'Contributing family workers'). In the Employment Type classification people who operate their own incorporated enterprise are identified separately from other employees. Employment Type builds on Status in Employment, providing an alternative perspective on employees by separately identifying employed people who operate their own business (owner managers of either incorporated or unincorporated enterprises) from those who do not.

The Employment Type classification includes the following categories:

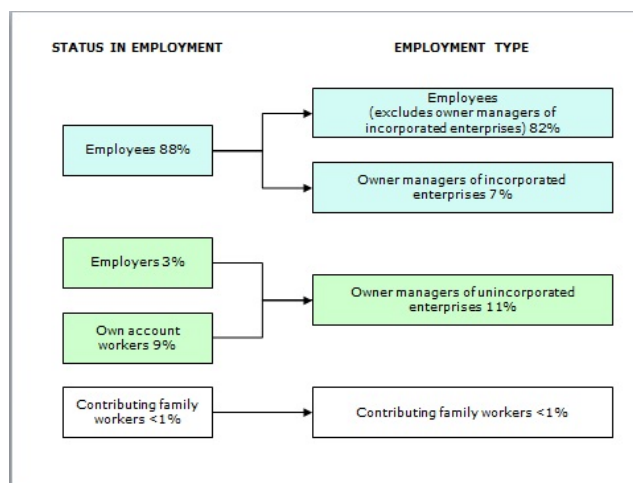
- Employees (excluding owner managers of incorporated enterprises);
- Owner managers of incorporated enterprises;
- Owner managers of unincorporated enterprises; and
- Contributing family workers.

Owner managers of incorporated enterprises are people who work in their own incorporated enterprise, that is, a business entity which is registered as a separate legal entity to its members or owners (also known as a limited liability company). Owner managers of unincorporated enterprises are people who operate their own unincorporated enterprise, that is, a business entity in which the owner and the business are legally inseparable, so that the owner is liable for any business debts that are incurred. This category includes those engaged independently in a trade or profession.

Estimates based on Employment Type data are available from a number of ABS surveys, including each of the Labour Force supplementary surveys and the Census of Population and Housing.

The following diagram shows how the two classifications relate to each other.

Figure 1: Status in Employment and Employment Type



Source: Labour Force, Australia, Detailed - Electronic Delivery, May 2011 (cat. no. 6291.0.55.001) and Australian Labour Market Statistics, July 2011 (cat. no. 6105.0)

FORM OF EMPLOYMENT

In addition to Status in Employment and Employment Type, the ABS recently developed the Form of Employment classification. Form of Employment is derived from information collected in the Forms of Employment Survey, which is run as an annual supplement to the Labour Force Survey. The survey was redeveloped in November 2008 to better capture the diverse range of employment arrangements in Australia, in particular, to identify those engaged as 'Independent contractors'.

Like Employment Type, Form of Employment classifies employed people according to the nature of their employment contract/arrangements, but attempts to delve more deeply into this relationship by collecting additional information which is used to further refine the nature of people's employment.

The Form of Employment classification has the following categories:

- Employee - a person who works for a public or private employer, who receives remuneration in wages or salary, and is engaged under a contract of service/employment contract
- Independent contractor - a person who operates their own business and is engaged under a contract for services (a commercial contract), and while may have employees, spends most of their time directly engaged with clients or on client tasks, rather than managing staff.
- Other business operator - a person who operates their own business, but who is not operating as an independent contractor. Other business operators generally generate their income from managing staff or from selling goods or services to the public, rather than providing a labour service directly to a client.

The Employment Type category 'Employees (excluding owner managers of incorporated enterprises)' is conceptually consistent with the Form of Employment 'Employee' category - that is, they both reflect those people who work for an employer and not in their own business. Similarly, 'Owner managers' from the Employment Type classification are conceptually consistent with the combined group of 'Independent contractors' and 'Other business operators' - that is, they both reflect those people who operate their own business. Furthermore, the Employment Type classification distinguishes between people who operate their own business on the basis of whether the business is incorporated or unincorporated, whereas the Form of Employment classification distinguishes between people who operate their own business on the basis of whether or not they operate as an independent contractor.

Further information on the methodology for constructing the Form of Employment classification is available in Appendix 1 of Forms of Employment, Australia, November 2010 (cat. no. 6359.0).

USING THE CLASSIFICATIONS

Each of these classifications provides an alternative framework for understanding the employment arrangements of Australian workers. However, it is important to note that each has limitations.

While Status in Employment is considered to be the primary employment classification used in ABS household surveys, it is best utilised for macroeconomic purposes. In the Status in Employment classification, owner managers of incorporated enterprises (OMIEs) are included within the 'Employee' category, despite functionally having more in common with owner managers of unincorporated enterprises (OMUEs) (who are classified as 'Employers' or 'Own account workers', depending on whether they employ staff). This is due to the legal status of an OMIE as distinct from their business, whereas an OMUE (e.g. a sole trader) has no legal identity separate from his or her business, and as such would be personally liable should the business become insolvent. This distinction ensures consistent treatment with the System of National Accounts, which is required for compiling compensation of employees data, one of the major components of gross domestic product, as opposed to payments to 'Employers' and 'Own account workers', which contribute to the gross mixed income component of the income account.

Thus, while Status in Employment is appropriate from an economic perspective, there is value in separating OMIEs from other employees, as in the Employment Type classification, in order to provide a more labour market relevant distinction. OMIEs generally have greater autonomy and authority over their business and employment conditions than other employees, and are usually able to set their own conditions, hours and pay (subject to the earnings of the business and other factors). Owner managers also tend to work considerably longer hours than people who are not operating their own business.

In understanding different elements of working arrangements (such as job flexibility, job precariousness, job stability, entitlements - such as superannuation and workers compensation) it is important to focus on those people for whom there is a genuine employer/employee relationship, e.g. in identifying those people who have paid leave entitlements (a proxy for casual employment). The Form of Employment classification offers an alternative measure of employment arrangements, with a particular focus on independent contractors. Changes in employment conditions and working arrangements in recent years have led to an increase in demand for data to support an understanding

of these changes. One of the issues of particular concern regards the lack of distinction between dependent and independent workers, with many employed people working in 'employee like' situations, but not under an employment contract. Under these types of arrangements, it is possible that workers do not have the protection that working under an employment contract offers. The ability to measure these differences in working arrangements through the Form of Employment classification offers a valuable addition to the Employment Type classification.

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FURTHER INFORMATION

For further information or queries regarding labour related statistics, contact the Labour Market Statistics Section on (02) 6252 7206 or email <labour.statistics@abs.gov.au>.

Published information is available free of charge on the ABS website. Where data are not available on our website at the level of detail you require, the ABS can provide you with customised data to meet your specific requirements. To discuss options, please contact Contact Client Services Section in Canberra for an obligation free quote on (02) 6252 7400 or email <information.consultancy@abs.gov.au>.

All key labour statistical releases and publications can be found at the Labour Releases section of the Labour Topics @ a Glance page. For help finding and accessing ABS products and services contact the National Information Referral Service on 1300 135 070.

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About the ABS labour statistics program

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About the ABS labour statistics program

Labour Market National Statistics Centre

The Labour Market National Statistics Centre is responsible for:

- promoting the effective use of labour market statistics;
- influencing the development of national and international frameworks, and assisting with their implementation; and
- improving the relevance and reliability of labour market statistics produced by the ABS.

Labour Market Dynamics Team

The Labour Market Dynamics team specialises in statistics that inform on transitions within the labour market, particularly into and out of employment. The team has a focus on understanding the nature of these transitions and the people who are affected by them. If you have any questions relating to transitions, unemployment and underemployment, underutilisation, job search experience and job vacancies, retirement, labour force participation or people not in the labour force, please contact Joanne Baker (team leader) on (02) 6252 7206 or email <labour.statistics@abs.gov.au> .

Wages and Workplace Relations Team

The Wages and Workplace Relations team specialises in statistics relating to the nature of employment, such as wages and conditions of employment, employment arrangements, working time arrangements, leave entitlements, and workplace relations (bargaining, trade union membership). If you have any questions in regards to earnings measures and sources (including gender wage issues), independent contracting and other forms of employment, casual employment or methods of setting pay, please contact Alexa Olczyk (team leader) on (02) 6252 7206 or email <labour.statistics@abs.gov.au>.

Labour Employer Surveys Business Statistics Centre

The Labour Employer Surveys Business Statistics Centre is based in Perth and is responsible for a suite of national surveys which provide

information about the structure and performance of the Australian labour market. Data are collected and produced in relation to average weekly earnings, job vacancies, industrial disputes, and employee earnings and hours. For more information about these surveys, please contact Antoinette Beckwith (Director) on (08) 9360 5187 or email <antoinette.beckwith@abs.gov.au>.

Labour Force and Supplementary Surveys Household Survey Centre

The Labour Force and Supplementary Surveys Household Survey Centre is responsible for the management of the Monthly Population Survey (MPS) which provides extensive information covering Australian labour supply and demand, and workplace relations. The MPS includes the Labour Force Survey, Labour Supplementary Surveys (LFSS) and the Multipurpose Household Survey (MPHS). The Labour Force Survey provides monthly estimates of the number of employed and unemployed people, the unemployment rate and the labour force participation rate. The LFSS and MPHS collect information on a range of labour topics including forms of employment, job search experience, labour mobility, locations of work, working time arrangements, people not in the labour force, retirement, and work-related injuries. For more information about these surveys, please contact Jon Hall (Director) on (02) 6252 6910 or email <jon.hall@abs.gov.au>.

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Introduction to Labour Statistics training course

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INTRODUCTION TO LABOUR STATISTICS TRAINING COURSE



Introduction to Labour Statistics is a one-day training course run in partnership between the National Statistical Training Institute and the Labour Market Statistics National Statistics Centre.

The training course suits people with or without a related academic background, providing an overview of the range of concepts and issues associated with ABS labour statistics. It also explores the data produced by both household and employer based collections, and highlights the range of data available.

The course contents includes:

- Overview of ABS labour collections
- Labour supply and labour demand
- Measures of underutilised labour
- Labour market dynamics
- Describing employment conditions
- Information about population groups (including regions and Indigenous persons)
- Earning and labour costs
- Industrial relations
- Guide to ABS data sources (including publications, spreadsheets, datacubes, standard errors, original/trend and seasonally adjusted series)

The course outcomes:

- Understanding of key labour concepts and issues
- Awareness of available ABS labour-related data and products.

Introduction to Labour Statistics training courses are generally held in each state capital each year, with courses currently scheduled in most state capitals for 2011.

For more details about this and other statistical training, or to register interest in a course, please refer to the ABS Training page or contact Kathy Buck on (02) 6252 5981 or email <labour.statistics@abs.gov.au>.

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Related publications

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| | cat. no. | Frequency |
|---|---------------|-----------|
| Labour Force Survey | | |
| Labour Force, Australia | 6202.0 | Monthly |
| Labour Force, Australia - Electronic Delivery | 6291.0.55.001 | Monthly |
| Labour Force, Australia | 6291.0.55.003 | Quarterly |
| Labour force supplementary surveys | | |
| Childhood Education and Care, Australia | 4402.0 | Irregular |
| Child Employment, Australia | 6211.0 | Irregular |
| Education and Work, Australia | 6227.0 | Annual |
| Employee Earnings, Benefits & Trade Union Membership, Australia | 6310.0 | Annual |
| Forms of Employment, Australia | 6359.0 | Annual |
| Job Search Experience, Australia | 6222.0 | Annual |
| Labour Force Experience, Australia | 6206.0 | Biennial |
| Labour Force Status & Other Characteristics of Recent Migrants, Australia | 6250.0 | Triennial |

| | | |
|---|---------------|--------------|
| Labour Mobility, Australia | 6209.0 | Biennial |
| Locations of Work, Australia | 6275.0 | Irregular |
| Persons Not in the Labour Force, Australia | 6220.0 | Annual |
| Underemployed Workers, Australia | 6265.0 | Annual |
| Working Time Arrangements, Australia | 6342.0 | Triennial |
| Multi purpose household surveys | | |
| Barriers and Incentives to Labour Force Participation, Australia | 6239.0 | Biennial |
| Retirement and Retirement Intentions, Australia(a) | 6238.0 | Biennial |
| Work-Related Injuries, Australia | 6324.0 | Four-yearly |
| Other labour surveys | | |
| Average Weekly Earnings, Australia | 6302.0 | Quarterly |
| Employment and Earnings, Public Sector, Australia(b) | 6248.0.55.002 | Annual |
| Employee Earnings & Hours, Australia | 6306.0 | Biennial |
| Employer Training Expenditure & Practices, Australia | 6362.0 | Irregular |
| Employment Arrangements, Retirement & Superannuation, Australia | 6361.0 | Irregular |
| Industrial Disputes, Australia | 6321.0.55.001 | Quarterly |
| Job Vacancies, Australia | 6354.0 | Quarterly |
| Labour Costs, Australia | 6348.0.55.001 | Irregular |
| Labour Force Characteristics of Aboriginal and Torres Strait Islander Australians, Estimates from the Labour Force Survey | 6287.0 | Annual |
| Labour Force, Australia: Labour Force Status and Other Characteristics of Families | 6224.0.55.001 | Irregular |
| Labour Price Index, Australia | 6345.0 | Quarterly |
| Wage & Salary Earners, Public Sector, Australia(b) | 6248.0.55.001 | Discontinued |
| Information papers and other reference material | | |
| Expansion of Hours Worked Estimates from the Labour Force Survey | 6290.0.55.001 | Irregular |
| Australian National Accounts: Concepts, Sources & Methods | 5216.0 | Irregular |
| Changes to ABS Measures of Employee Remuneration | 6313.0 | Irregular |
| Changes to Labour Force Survey Products | 6297.0 | Irregular |
| Estimating Average Annual Hours Worked | 1352.0.55.077 | Irregular |
| Forthcoming Changes to Labour Force Statistics | 6292.0 | Irregular |
| Improvements to Family Estimates from the Labour Force Survey | 6224.0.55.002 | Irregular |
| Labour Force Survey Sample Design | 6269.0 | Irregular |
| Labour Force Survey Standard Errors | 6298.0 | Irregular |
| Labour Force Survey Standard Errors, Data Cube | 6298.0.55.001 | Irregular |
| Labour Force Survey Standard Products and Data Item Guide | 6103.0 | Irregular |
| Labour Price Index: Concepts, Sources & Methods | 6351.0.55.001 | Irregular |
| Labour Statistics: Concepts, Sources & Methods | 6102.0.55.001 | Irregular |
| Labour Statistics in Brief, Australia | 6104.0 | Annual |
| Labour Statistics News (c) | 6106.0 | Discontinued |
| Questionnaires Used in the Labour Force Survey | 6232.0 | Irregular |
| Year Book, Australia | 1301.0 | Biennial |
| Confidentialised Unit Record Files (CURFs) | | |
| Microdata: Childhood Education and Care, Expanded CURF, Australia | 4402.0.55.001 | Irregular |
| Childhood Education and Care, Australia, Expanded CURF, Technical Manual | 4402.0.55.002 | Irregular |
| Employee Earnings and Hours, Australia, Expanded CURF, Technical Manual | 6306.0.55.002 | Irregular |
| Microdata: Forms of Employment, Basic CURF, Australia | 6359.0.30.001 | Irregular |
| Microdata: Labour Force Survey and Employee Earnings, Benefits and Trade Union Membership, Basic and Expanded CURF, Australia | 6202.0.30.001 | Biennial |
| Labour Force Survey and Employee Earnings, Benefits and Trade Union Membership, Australia: Basic CURF, Technical Paper | 6202.0.30.002 | Biennial |
| Labour Force Survey and Labour Mobility, Australia: Basic and Expanded CURF | 6202.0.30.004 | Biennial |
| Labour Force Survey and Labour Mobility, Australia: Basic and Expanded CURF, Technical Manual | 6202.0.30.005 | Biennial |
| Microdata: Employment Arrangements, Retirement and Superannuation, Expanded CURF, Australia | 6361.0.55.001 | Irregular |
| Microdata: Employee Earnings and Hours, Expanded CURF, Australia | 6306.0.55.001 | Irregular |
| Technical manual: Survey of Education and Training, Australia, Basic and Expanded CURFs, Australia | 6278.0.55.001 | Irregular |
| Microdata: Survey of Education and Training, Australia, Basic CURF, Australia | 6278.0.55.002 | Irregular |
| Survey of Education and Training, Australia, Expanded CURF, Technical Manual | 6278.0.55.003 | Irregular |
| Microdata: Survey of Education and Training, Australia, Expanded CURF, Australia | 6278.0.55.004 | Irregular |
| Microdata: Survey of Education and Work, Basic CURF, Australia, May 2009 | 6227.0.30.001 | Biennial |
| Survey of Income and Housing - CURF, Technical Manual | 6541.0 | Irregular |
| Mircodata: Income and Housing, Basic and Expanded CURF, Australia, 2007-08 | 6541.0.30.001 | Irregular |
| Other publications | | |
| Australian Economic Indicators | 1350.0 | Monthly |
| Australian National Accounts: National Income, Expenditure & Product | 5206.0 | Quarterly |
| Australian Social Trends | 4102.0 | Quarterly |
| Australian System of National Accounts | 5204.0 | Annual |
| Business Indicators, Australia | 5676.0 | Quarterly |
| Census of Population & Housing: Selected Education & Labour Force Characteristics, Australia | 2017.0 | Irregular |
| Education & Training Indicators, Australia | 4230.0 | Irregular |
| General Social Survey: Summary Results, Australia | 4159.0 | Irregular |
| Government Benefits, Taxes & Household Income, Australia | 6537.0 | Irregular |
| Household Income & Income Distribution, Australia | 6523.0 | Biennial |
| Measures of Australia's Progress | 1370.0 | Irregular |
| Regional Wage & Salary Earner Statistics, Australia | 5673.0.55.001 | Irregular |
| Superannuation: Coverage & Financial Characteristics, Australia | 6360.0 | Irregular |
| Voluntary Work, Australia | 4441.0 | Irregular |

- a. Previously conducted as a labour force supplementary survey in 2000, data now collected as part of the Multi Purpose Household Survey.
- b. The quarterly survey of Employment and Earnings - Public Sector has been replaced with an annual survey, commencing with the 2007-08 reference year. As a result, the June quarter 2007 was the final issue of Wage and Salary Earners, Public Sector, Australia (cat. no. 6248.0.55.001). Data from the annual survey are released in Employment and Earnings, Public Sector, Australia (cat. no. 6248.0.55.002).
- c. Content now contained within Australian Labour Market Statistics (cat. no. 6105.0).
- d.

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Data Sources for Tables

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DATA SOURCES

Earlier editions of this publication contained tables which drew together a range of labour statistics from a number of ABS sources and some international comparisons from the International Labour Organisation. This publication no longer contains detailed tables that can be found in other publications.

The table below has been designed to assist you in obtaining this information from the original source.

- **No. and Table Description** correspond to the position of the table in the October 2010 edition of Australian Labour Market Statistics.
- **Data Source** indicates the most accessible source(s) of data, as time-series spreadsheets or datacubes.

A wide range of ABS labour related publications and data is freely available on the ABS website. The Related Publications tab of this publication contains links to the latest releases of many ABS labour related publications.

To find a labour market related publication, spreadsheet or datacube on the ABS website, go to <<https://www.abs.gov.au>> [Statistics - Catalogue Number - 6. Labour Statistics and Prices]. All products can be accessed by catalogue number and subject, e.g. to find the publication Labour Force, Australia (cat. no. 6202.0), look under '62. Labour force'. Select '6202.0 - Labour Force, Australia' and from the Summary tab select the Details tab.

All ABS statistics on the ABS website can be downloaded free of charge.

For more information, contact the Labour Market Statistics Section on Canberra (02) 6252 7206 or email <labour.statistics@abs.gov.au>.

| No. | Table Description | Data Source |
|------|---|---|
| 1.1 | Labour Force status by Sex: trend series | Labour Force, Australia (cat. no. 6202.0) |
| | | 6202.0 spreadsheet table 1 |
| 1.2 | Age by social marital status: Original | 6291.0.55.001 data cube LM8 |
| 1.3 | States and territories, and capital cities: Original | 6291.0.55.001 spreadsheet table 2 |
| 1.4 | Educational attendance (aged 15-24): Original | 6291.0.55.001 spreadsheet table 3a |
| 1.5 | Labour Force Status by Country of Birth: Original | 6291.0.55.001 data cube LM6 |
| | Labour Force Status by Year of arrival: Original | 6291.0.55.001 data cube LM4 |
| 1.6 | Relationship in household: Original | 6291.0.55.001 data cube FM1 |
| | | 6291.0.55.001 data cube FM2 |
| 1.7 | All families: family type by labour force status: Original | 6105.0 spreadsheet table 1 |
| 1.8 | International Comparisons | International Labour Organisation, LABORSTA database |
| 2.1 | Industry: trend | 6291.0.55.003 spreadsheet table 4 |
| 2.2 | Industry division and subdivision: Original | 6291.0.55.003 spreadsheet table 6 |
| | | 6291.0.55.003 data cube E05 |
| | | 6291.0.55.003 data cube E06 |
| 2.3 | Occupation major group and sub-major group: Original | 6291.0.55.003 data cube E07 |
| | | 6291.0.55.003 data cube E08 |
| 2.4 | Industry and occupation by full-time/part-time status: Original | 6291.0.55.003 data cube E09 |
| | | 6291.0.55.003 spreadsheet table 04 |
| | | 6291.0.55.003 spreadsheet table 05 |
| | | 6291.0.55.003 spreadsheet table 06 |
| | | 6291.0.55.003 spreadsheet table 07 |
| 2.5 | Industry and occupation by status in employment: Original | 6291.0.55.003 data cube E05 |
| | | 6291.0.55.003 data cube E06 |
| | Occupation by status in employment: Original | 6291.0.55.003 data cube E07 |
| | | 6291.0.55.003 data cube E08 |
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Trends in employee methods of setting pay and jurisdictional coverage (Feature Article)

FEATURE ARTICLE: TRENDS IN EMPLOYEE METHODS OF SETTING PAY AND JURISDICTIONAL COVERAGE

INTRODUCTION

Statistics regarding how employees' pay is set (such as through awards or agreements) are of interest in the context of workplace relations reforms and the formulation of workplace relations and wages policy. Recent changes to the workplace relations system, firstly through the

introduction of the **Workplace Relations Amendment (WorkChoices) Act 2005** and the subsequent **Fair Work Act 2009** have renewed interest in employees' methods of setting pay, especially at the jurisdictional level where pay setting arrangements are covered. In particular, the extent of 'award reliance' is of interest in relation to the annual Federal Minimum Wage determination that affect employees covered by the federal jurisdiction (or national workplace relations system).

The two-yearly Survey of Employee Earnings and Hours, last conducted in respect of May 2010, contains statistics on the composition and distribution of employee earnings and hours for which paid, as well as information on how employees' pay is set - by award only, collective agreement or individual arrangement. Estimates from this survey are used by government departments, employer associations, trade unions, welfare groups and academic researchers to develop and review wages and labour market policies, to inform the award determination process, and for research into various aspects of the labour market.

This article provides the latest information on methods of setting pay and jurisdictional coverage, as well as trends over time. It focuses on employees in the federal jurisdiction and presents information on a range of job characteristics, including industry, occupation and full-time/part time status. Finally, this article characterises the distribution of employee earnings for each of the methods of setting pay for those in the federal jurisdiction.

BACKGROUND

The workplace relations environment

Estimates from the publication Employee Earnings and Hours, Australia, May 2010 (cat. no. 6306.0) were compiled based on the workplace relations environment following the introduction of the **Fair Work Act 2009** and the subsequent introduction of the **Fair Work (State Referral and Consequential and Other Amendments) Act**, which allowed for the extension of the **Fair Work Act** to states that refer workplace relations related matters to the Commonwealth. From 1 January 2010, private sector employers in New South Wales, Queensland, South Australia and Tasmania were covered by the national system. The Fair Work system replaced the **Workplace Relations Amendment (WorkChoices) Act 2005** that was in place at the time of the August 2008 Survey of Employee Earnings and Hours.

The key elements of the Fair Work system include:

- a legislated safety net of 10 National Employment Standards;
- new modern awards; and
- revised enterprise bargaining arrangements, including the cessation of registered individual agreements.

Under the Fair Work system, the majority of employees come under the federal jurisdiction. The following groups of employers (and consequently their employees) are covered by the national system:

- constitutional corporations (including financial or trading corporations - generally Pty Ltd or Ltd);
- the Commonwealth and Commonwealth authorities;
- employers who employ flight crews, maritime employees or waterside workers;
- all employers in the Australian Capital Territory and Northern Territory;
- most Victorian employers; and
- private sector employers in New South Wales, Queensland, South Australia and Tasmania.

The following groups of employers (and consequently their employees) are generally not covered by the national system:

- State government;
- Australian corporations whose main activity is not trading or financial; and
- sole traders and partnerships in Western Australia.

Jurisdictional coverage

Employees are deemed to be under the federal or state workplace relations jurisdictions for pay-setting purposes based on the legal status of their employer and the prevailing pay-setting instrument that applies to their employees.

Methods of setting pay

Information on the methods of setting pay for employees (excluding owner managers of incorporated enterprises) refers to how the main part of an employee's pay was set, or determined, in the survey reference period:

- Employees classified to 'Award only' had their rate of pay specified by an award and were not paid more than that award rate of pay.
- Employees classified to the 'Collective agreement' category had the main part of their pay set by collective agreement, or an enterprise award.
- Employees in the 'Individual arrangement' category include those who had the main part of their pay set by an individual contract, registered individual agreement (e.g. Australian Workplace Agreement), common law contract, or an agreement to receive over award payments.

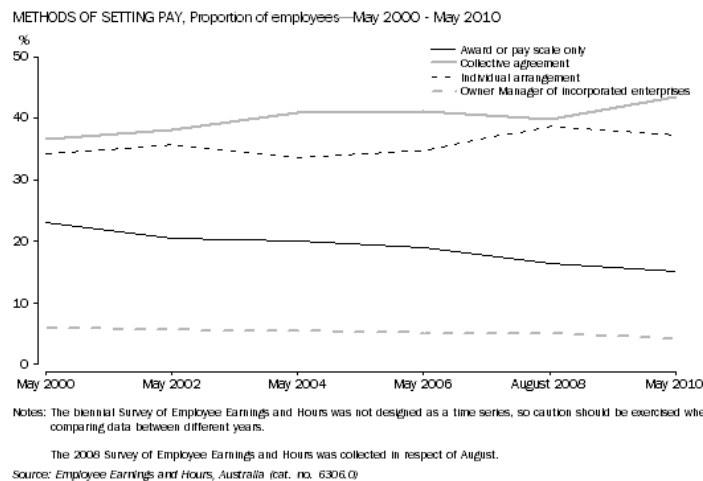
Owner managers of incorporated enterprises - persons who worked in their own incorporated business - were excluded from the method of setting pay classification and, as a result, were identified separately.

TRENDS IN EMPLOYEE METHODS OF SETTING PAY AND JURISDICTIONAL COVERAGE

Methods of setting pay

The **Fair Work Act 2009** places an emphasis on 'enterprise level collective bargaining agreements' as the preferred method of setting pay over (registered) individual agreements. In May 2010, the most common method of setting pay for all employees was collective agreements (43%), while a further 37% of employees had their pay set through an individual arrangement. In line with the **Fair Work Act 2009** containing no provisions for federally registered individual statutory agreements (formerly known as Australian Workplace Agreements), almost all (98%) individual arrangements were unregistered. 'Award only' was the least common method of setting pay (15%) in May 2010.

Collective agreements have been the most common method of setting pay for the past decade, with the proportion of employees whose pay was set by this method increasing by 7 percentage points from May 2000 (37%) to May 2010 (43%). The proportion of employees with their pay set by an individual arrangement has increased by 3 percentage points in the 10 years to May 2010, from 34% to 37%. In a sign of the shift away from centralised pay setting arrangements, the proportion of employees whose pay was set by award only has decreased 8 percentage points from 23% in May 2000 to 15% in May 2010.



Jurisdictional coverage

In light of recent changes to Australia's workplace relations system, the majority of employees are now in the federal jurisdiction. To better understand the distribution of employees between the federal and state jurisdiction, this section presents jurisdictional coverage estimates between 2006 and 2010, and 2010 estimates disaggregated by state and sector.

In May 2010, 87% of employees (7.8 million) were in the federal workplace relations jurisdiction. This represents an increase of 9 percentage points since August 2008. The proportion of employees in the state jurisdiction fell from 13% in August 2008 to 9% (833,000 employees) in May 2010. This in part reflects the referral of several states' workplace relations powers with respect to sole traders and partnerships to the Commonwealth,

Table 1. JURISDICTIONAL COVERAGE OF EMPLOYEES PAY-SETTING ARRANGEMENTS, Australia: Proportion of employees - May 2006 - May 2010

| | May 2006 % | August 2008 % | May 2010 % |
|---|---------------|------------------|---------------|
| Federal jurisdiction | | | |
| Federal award or agreement(a) | 36.1 | 42.0 | 44.9 |
| State award or agreement(b) | 9.8 | 1.3 | 3.5 |
| Unregistered arrangement(c) | 28.2 | 30.2 | 34.6 |
| Owner manager of incorporated enterprises | 5.1 | 5.0 | 4.1 |
| Total federal jurisdiction | 79.1 | 78.5 | 87.2 |
| State jurisdiction | | | |
| State award or agreement | 8.8 | 10.0 | 8.5 |
| Unregistered arrangement(c) | 3.2 | 2.9 | 0.8 |
| Total state jurisdiction | 11.9 | 13.0 | 9.3 |
| Unable to be determined(d) | 9.0 | 8.6 | 3.6 |
| Total | 100.0 | 100.0 | 100.0 |

- (a) Includes employees transitioning out of the federal jurisdiction.
(b) Employees transitioning into the federal jurisdiction.
(c) Includes employees receiving over award pay.
(d) Employees whose jurisdictional coverage for pay setting was unable to be determined.

Source: Employee Earnings and Hours, Australia (cat. no. 6306.0)

By state

With the introduction of the **Workplace Relations Amendment (Work Choices) Act 2005**, all constitutional corporations entered the federal jurisdiction, joining employers in Victoria, the Australian Capital Territory and Northern Territory who were already in the federal jurisdiction. Following the introduction of the **Fair Work Act 2009**, all remaining states, with the exception of Western Australia, referred their workplace relations powers to the Commonwealth.

State government employers in New South Wales, Queensland, South Australia and Western Australia; Tasmanian Commonwealth and state public sector employers; and Western Australian private sector employers that are not constitutional corporations remain in their respective state jurisdictions.

In May 2010, Western Australia had the highest proportion of employees in the state jurisdiction (22%), while New South Wales had the lowest (10%).

Table 2. JURISDICTIONAL COVERAGE OF EMPLOYEES PAY-SETTING ARRANGEMENTS, States and Territories: Proportion of employees - May 2010

| | NSW % | Vic % | Qld % | SA % | WA % | Tas % | NT % | ACT % | Aust % |
|-------------------------------|----------|----------|----------|---------|---------|----------|---------|----------|-----------|
| Federal jurisdiction | | | | | | | | | |
| Federal award or agreement(a) | 36.4 | 59.2 | 40.4 | 41.8 | 37.1 | 50.4 | 61.4 | 73.6 | 44.9 |

| | | | | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| State award or agreement(b) | 5.2 | — | 6.5 | 7.5 | *0.1 | 3.3 | - | - | 3.5 |
| Unregistered arrangement(c) | 39.1 | 36.6 | 33.5 | 31.3 | 25.0 | 25.6 | 34.9 | 24.0 | 34.6 |
| Owner manager of incorporated enterprises | 4.8 | 4.2 | 3.7 | 3.5 | 3.6 | 2.8 | 3.7 | *2.4 | 4.1 |
| <i>Total federal jurisdiction</i> | <i>85.5</i> | <i>100.0</i> | <i>84.2</i> | <i>84.0</i> | <i>65.8</i> | <i>82.1</i> | <i>100.0</i> | <i>100.0</i> | <i>87.2</i> |
| State jurisdiction | | | | | | | | | |
| State award or agreement | 9.9 | — | *12.9 | 13.6 | 14.9 | np | - | - | 8.5 |
| Unregistered arrangement(c) | — | — | — | *0.1 | 6.8 | np | - | - | 0.8 |
| <i>Total state jurisdiction</i> | <i>9.9</i> | <i>—</i> | <i>12.9</i> | <i>13.7</i> | <i>21.7</i> | <i>*15.6</i> | <i>-</i> | <i>-</i> | <i>9.3</i> |
| Unable to be determined(d) | 4.6 | — | 2.9 | *2.3 | 12.4 | 2.2 | - | - | 3.6 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

* estimate has a relative standard error of 25% to 50% and should be used with caution

np not published

— nil or rounded to zero (including null cells)

(a) Includes employees transitioning out of the federal jurisdiction.

(b) Employees transitioning into the federal jurisdiction.

(c) Includes employees receiving over award pay.

(d) Employees whose jurisdictional coverage for pay setting was unable to be determined.

Source: Employee Earnings and Hours, Australia (cat. no. 6306.0)

By sector

In Western Australia, 77% of private sector employees were in the state jurisdiction in May 2010. In all other states and territories all private sector employees were in the federal jurisdiction. Overall, 98% of private sector employees in Australia were in the federal jurisdiction compared with 46% of public sector employees. Of those states with their own workplace relations systems, the state with the highest proportion of public sector employees in the state jurisdiction was South Australia (64%). All public sector employees in Victoria, the Northern Territory and the Australian Capital Territory were in the federal jurisdiction.

Table 3. JURISDICTIONAL COVERAGE OF EMPLOYEES PAY-SETTING ARRANGEMENTS, States and Territories: By sector: Proportion of employees - May 2010

| | NSW % | Vic % | Qld % | SA % | WA % | Tas % | NT % | ACT % | Aust % |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Private Sector | | | | | | | | | |
| Federal jurisdiction (a) (b) (c) | 100.0 | 100.0 | 100.0 | 100.0 | 76.7 | 100.0 | 100.0 | 100.0 | 97.6 |
| State jurisdiction (c) | — | — | — | — | 12.0 | — | — | — | 1.3 |
| Unable to be determined(d) | — | — | — | — | 11.3 | — | — | — | 1.2 |
| <i>Total private sector</i> | <i>100.0</i> | <i>100.0</i> | <i>100.0</i> | <i>100.0</i> | <i>100.0</i> | <i>100.0</i> | <i>100.0</i> | <i>100.0</i> | <i>100.0</i> |
| Public Sector | | | | | | | | | |
| Federal jurisdiction (a) (b) (c) | 19.8 | 100.0 | 24.2 | 25.7 | 28.0 | 33.0 | 100.0 | 100.0 | 46.4 |
| State jurisdiction (c) | 54.8 | — | 61.9 | 63.7 | 55.4 | 58.7 | — | — | 40.7 |
| Unable to be determined(d) | 25.4 | — | 13.8 | *10.6 | 16.5 | *8.3 | — | — | 12.9 |
| <i>Total public sector</i> | <i>100.0</i> | <i>100.0</i> | <i>100.0</i> | <i>100.0</i> | <i>100.0</i> | <i>100.0</i> | <i>100.0</i> | <i>100.0</i> | <i>100.0</i> |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

* estimate has a relative standard error of 25% to 50% and should be used with caution

— nil or rounded to zero (including null cells)

(a) Includes employees transitioning out of the federal jurisdiction.

(b) Employees transitioning into the federal jurisdiction.

(c) Includes employees receiving over award pay.

(d) Employees whose jurisdictional coverage for pay setting was unable to be determined.

Source: Employee Earnings and Hours, Australia (cat. no. 6306.0)

EMPLOYEES IN THE FEDERAL JURISDICTION PAID BY AWARD ONLY

Overview

Under the **Fair Work Act 2009**, Fair Work Australia (FWA) is the body responsible for setting minimum and award wages and conditions for employees in the national workplace relations system, through annual determinations. Employees (and their employers) in the federal jurisdiction whose method of setting pay was award only are directly impacted by FWA determining a change in award wages.

The minimum wage or award determination may also have an indirect effect on other employees in the federal jurisdiction who have an individual arrangement if, for example, they have an arrangement to receive over award payments (such as a set dollar amount or percentage above the award rate). Award rates may also impact on employees whose pay is set by collective agreement due to application of the 'better off overall test', against the relevant modern award. While these broader groups of employees may have their pay affected by changes to awards the data from the Survey of Employees and Hours are not able to identify all employees who are 'award reliant'. Therefore, this section will only profile employees in the federal jurisdiction whose pay was set by award only, in terms of their employment arrangements and job characteristics.

In May 2010, 1.3 million employees in the federal jurisdiction had their pay set by award only (15% of all employees). Award only employees comprised:

- 12% of all male employees and 17% of all female employees;
- 9% of all full-time employees and 25% of all part-time employees;
- 45% of employees in the Accommodation and food services industry and 30% of employees in the Administrative and support services industry; and
- 31% of Community and personal service workers and 27% of Labourers.

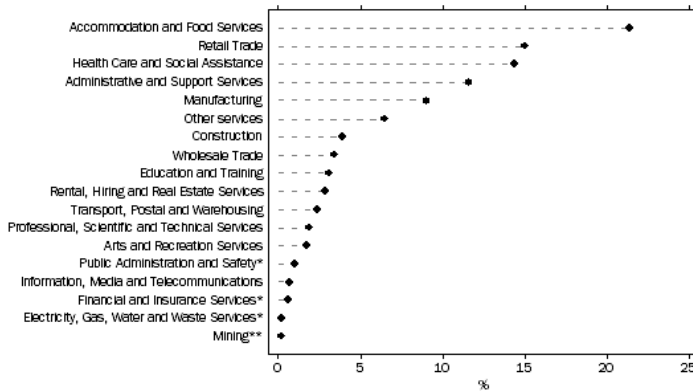
In May 2010, 39% of federal award only employees worked full-time whilst 61% worked part-time. This is in direct contrast to the full-time/part-time status of all employees in the federal jurisdiction, with 63% working on a full-time basis. Female award only employees were more likely work part-time (71%), while male award only employees were more likely to work full-time (54%).

By industry and occupation

Award only employees are heavily concentrated in certain industry divisions. In May 2010, half of all federal award only employees were

employed in either the Accommodation and food services (21%), Retail trade (15%) or Health care and social assistance (14%) industries. In contrast, each of the following industries contained less than 1% of employees paid by award only: Information, media and telecommunications; Financial and insurance services; Electricity, gas, water and waste services; and Mining .

FEDERAL JURISDICTION - AWARD ONLY, Proportion of employees—By Industry—May 2010

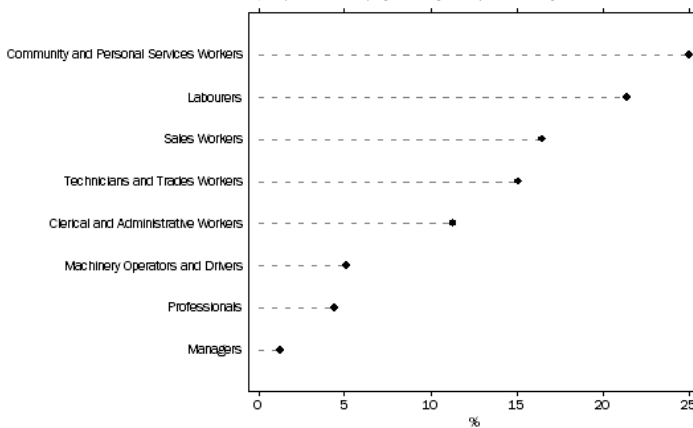


* estimate has a relative standard error of 25% to 50% and should be used with caution
 ** estimate is subject to sampling variability too high for most practical purposes

Source: Employee Earnings and Hours, May 2010 (cat. no. 6306.0)

Award only employees were also more heavily concentrated in particular occupation groups. For example, 1 in 4 federal award only employees were Community and personal service workers (25%), and 1 in 5 were Labourers (21%), whereas only 1% were Managers.

FEDERAL JURISDICTION - AWARD ONLY, Proportion of employees—By Occupation—May 2010



Source: Employee Earnings and Hours, May 2010 (cat. no. 6306.0)

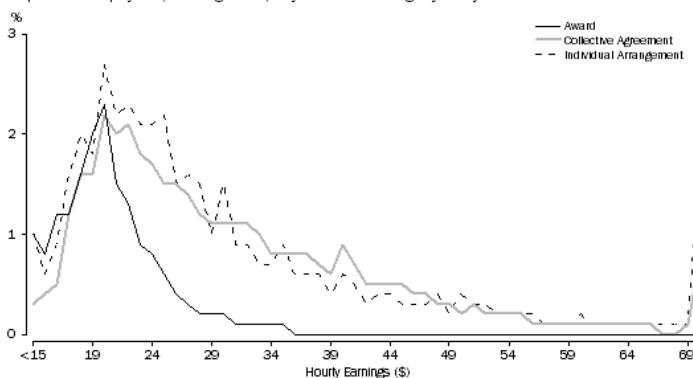
EARNINGS

Award only employees are often viewed as minimum wage reliant. However, not all award only employees are lower paid, and not all lower paid employees are paid by award only. This section presents the distribution of employee earnings in the federal jurisdiction for those whose pay is set by award only with reference to other pay setting methods.

Distribution of total hourly cash earnings

There were 7 million non-managerial adult employees (excluding OMIEs) in the federal jurisdiction in May 2010. The distribution of hourly total cash earnings shows that 45% of these employees who had their pay set by award only earned less than \$20 per hour, compared with 14% of those on a collective agreement and 19% of those who had an individual arrangement. At the higher end of the earnings distribution, less than 1% of award only employees earned more than \$50 per hour compared with 8% of employees covered by a collective agreement and 11% of employees on an individual arrangement.

FEDERAL JURISDICTION - DISTRIBUTION OF ADULT NON-MANAGERIAL TOTAL HOURLY CASH EARNINGS, Proportion of employees (excluding OMIEs)—by Method of Setting Pay—May 2010



Excludes adult employees (excluding OMIEs) who earned less than \$1 per hour which may include those on the supported wage system, those paid by a piece rate, or commission based agreements.

Source: Employee Earnings and Hours, May 2010 (cat. no. 6306.0)

While the hourly earnings of award only employees in the federal jurisdiction are more heavily concentrated in the lower pay ranges than with the other methods of setting pay, they do not account for all lower paid employees. Non-managerial adult employees (excluding OMIEs) who earned under \$20 an hour were just as likely to have their pay set through an individual arrangement (37%) as by award only (36%) compared to by collective agreement (27%). This suggests that not all lower paid employees receive a direct benefit from any increase in award wages from FWA, notwithstanding efforts by employers to increase over award wages in order to remain competitive.

FURTHER INFORMATION

For further information, please contact Matt Dillon on Canberra (02) 6252 5183 or email <matt.dillon@abs.gov.au>.

Fact Sheet: Employment classifications (Feature Article)

FACT SHEET: EMPLOYMENT CLASSIFICATIONS

OVERVIEW

The ABS publishes monthly estimates of the number of employed people in Australia. In addition, the ABS collects a range of information describing the nature of people's employment, in order to better understand and describe the structure of the labour market. Information about the nature of working relationships and employment arrangements in the Australian workforce is essential for a wide range of social and economic policy and planning purposes. Furthermore, statistics based on standards and measures relating to employment are used to satisfy obligations to national and international communities. For example, estimates of Australia's gross domestic product using the income approach rely on an accurate measure of the compensation of employees, which is in turn reliant on a standard that consistently defines 'employees'.

There are currently three different classifications that the ABS uses to differentiate between types of employment:

- Status in Employment;
- Employment Type; and
- Form of Employment.

Each of these classifications provides a valuable framework for understanding employment, and although related, each classification presents an alternative perspective on employment which is useful for different purposes. This fact sheet compares these classifications and provides an explanation of their intended uses, as well as their limitations.

STATUS IN EMPLOYMENT

The Status in Employment classification is based on the International Labour Organisation's (ILO) resolution at the Fifteenth International Conference of Labour Statisticians (ICLS) concerning the International Classification of Status in Employment (ICSE-93). It classifies the employed population into categories based on the job holder's perception of the relationship between themselves and their employer, as well as the legal status of their employer (where possible).

The Status in Employment categories are:

- Employee - a person who works for a public or private employer and receives remuneration in wages, salary, a retainer fee from their employer while working on a commission basis, tips, piece-rates, or payment in kind; or a person who operates his or her own incorporated enterprise with or without hiring employees;
- Employer - a person who operates his or her own unincorporated economic enterprise or engages independently in a profession or trade, and hires one or more employees;
- Own account worker - a person who operates his or her own unincorporated economic enterprise or engages independently in a profession or trade, and hires no employees; and
- Contributing family worker - a person who works without pay in an economic enterprise operated by a relative.

The standard output from the Labour Force Survey is based on the Status in Employment classification. Estimates based on this classification are also available from most other ABS household surveys, including the Labour Force supplementary surveys, Special Social Surveys, and the Census of Population and Housing.

EMPLOYMENT TYPE

Employment Type classifies employed people according to the nature of their employment relationship or contract. While both Status in Employment and Employment Type enable an assessment of the characteristics of the workforce and the extent of self employment, Status in Employment only allows for the identification of owner managers of unincorporated enterprises ('Employers' and 'Contributing family workers'). In the Employment Type classification people who operate their own incorporated enterprise are identified separately from other employees. Employment Type builds on Status in Employment, providing an alternative perspective on employees by separately identifying employed people who operate their own business (owner managers of either incorporated or unincorporated enterprises) from those who do not.

The Employment Type classification includes the following categories:

- Employees (excluding owner managers of incorporated enterprises);
- Owner managers of incorporated enterprises;
- Owner managers of unincorporated enterprises; and
- Contributing family workers.

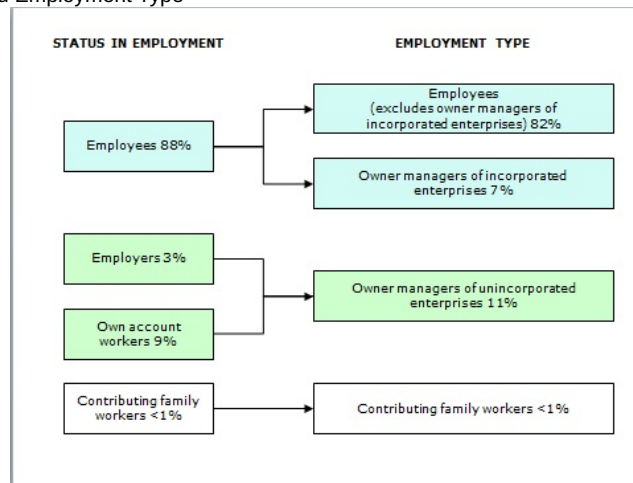
Owner managers of incorporated enterprises are people who work in their own incorporated enterprise, that is, a business entity which is

registered as a separate legal entity to its members or owners (also known as a limited liability company). Owner managers of unincorporated enterprises are people who operate their own unincorporated enterprise, that is, a business entity in which the owner and the business are legally inseparable, so that the owner is liable for any business debts that are incurred. This category includes those engaged independently in a trade or profession.

Estimates based on Employment Type data are available from a number of ABS surveys, including each of the Labour Force supplementary surveys and the Census of Population and Housing.

The following diagram shows how the two classifications relate to each other.

Figure 1: Status in Employment and Employment Type



Source: Labour Force, Australia, Detailed - Electronic Delivery, May 2011 (cat. no. 6291.0.55.001) and Australian Labour Market Statistics, July 2011 (cat. no. 6105.0)

FORM OF EMPLOYMENT

In addition to Status in Employment and Employment Type, the ABS recently developed the Form of Employment classification. Form of Employment is derived from information collected in the Forms of Employment Survey, which is run as an annual supplement to the Labour Force Survey. The survey was redeveloped in November 2008 to better capture the diverse range of employment arrangements in Australia, in particular, to identify those engaged as 'Independent contractors'.

Like Employment Type, Form of Employment classifies employed people according to the nature of their employment contract/arrangements, but attempts to delve more deeply into this relationship by collecting additional information which is used to further refine the nature of people's employment.

The Form of Employment classification has the following categories:

- Employee - a person who works for a public or private employer, who receives remuneration in wages or salary, and is engaged under a contract of service/employment contract
- Independent contractor - a person who operates their own business and is engaged under a contract for services (a commercial contract), and while may have employees, spends most of their time directly engaged with clients or on client tasks, rather than managing staff.
- Other business operator - a person who operates their own business, but who is not operating as an independent contractor. Other business operators generally generate their income from managing staff or from selling goods or services to the public, rather than providing a labour service directly to a client.

The Employment Type category 'Employees (excluding owner managers of incorporated enterprises)' is conceptually consistent with the Form of Employment 'Employee' category - that is, they both reflect those people who work for an employer and not in their own business. Similarly, 'Owner managers' from the Employment Type classification are conceptually consistent with the combined group of 'Independent contractors' and 'Other business operators' - that is, they both reflect those people who operate their own business. Furthermore, the Employment Type classification distinguishes between people who operate their own business on the basis of whether the business is incorporated or unincorporated, whereas the Form of Employment classification distinguishes between people who operate their own business on the basis of whether or not they operate as an independent contractor.

Further information on the methodology for constructing the Form of Employment classification is available in Appendix 1 of Forms of Employment, Australia, November 2010 (cat. no. 6359.0).

USING THE CLASSIFICATIONS

Each of these classifications provides an alternative framework for understanding the employment arrangements of Australian workers. However, it is important to note that each has limitations.

While Status in Employment is considered to be the primary employment classification used in ABS household surveys, it is best utilised for macroeconomic purposes. In the Status in Employment classification, owner managers of incorporated enterprises (OMIEs) are included within the 'Employee' category, despite functionally having more in common with owner managers of unincorporated enterprises (OMUEs) (who are classified as 'Employers' or 'Own account workers', depending on whether they employ staff). This is due to the legal status of an OMIE as distinct from their business, whereas an OMUE (e.g. a sole trader) has no legal identity separate from his or her business, and as such would be personally liable should the business become insolvent. This distinction ensures consistent treatment with the System of National Accounts, which is required for compiling compensation of employees data, one of the major components of gross domestic product, as opposed to payments to 'Employers' and 'Own account workers', which contribute to the gross mixed income component of the income account.

Thus, while Status in Employment is appropriate from an economic perspective, there is value in separating OMIEs from other employees, as in the Employment Type classification, in order to provide a more labour market relevant distinction. OMIEs generally have greater autonomy and authority over their business and employment conditions than other employees, and are usually able to set their own conditions, hours and pay (subject to the earnings of the business and other factors). Owner managers also tend to work considerably longer hours than people who are not operating their own business.

In understanding different elements of working arrangements (such as job flexibility, job precariousness, job stability, entitlements - such as superannuation and workers compensation) it is important to focus on those people for whom there is a genuine employer/employee relationship, e.g. in identifying those people who have paid leave entitlements (a proxy for casual employment). The Form of Employment classification offers an alternative measure of employment arrangements, with a particular focus on independent contractors. Changes in employment conditions and working arrangements in recent years have led to an increase in demand for data to support an understanding of these changes. One of the issues of particular concern regards the lack of distinction between dependent and independent workers, with many employed people working in 'employee like' situations, but not under an employment contract. Under these types of arrangements, it is possible that workers do not have the protection that working under an employment contract offers. The ability to measure these differences in working arrangements through the Form of Employment classification offers a valuable addition to the Employment Type classification.

History of Changes

This document was added or updated on 21/07/2011.

Content in the Key Measures table was replaced on 21 July 2011 to correct the data provided in one series and to improve the clarity of some data labels.

The corrected series was previously labelled as *Median non-managerial adult hourly ordinary time cash earnings* and is now labelled as *Median weekly earnings*.

Explanatory Notes

Explanatory Notes

EXPLANATORY NOTES

INTRODUCTION

1 [Australian Labour Market Statistics](#) provides information about the latest developments in the Australian Bureau of Statistics (ABS) labour statistics program, highlighting new and upcoming releases of ABS labour data or changes to these series. It presents a broad level summary of key labour market measures, contains analyses of labour market issues, and provides resources on how to understand and interpret labour market statistics.

2 The electronic product takes advantage of website capabilities and is a little different from the downloadable (.pdf) version.

3 In addition to data from the Labour Force Survey (LFS), this publication contains key labour market statistics from a range of other ABS labour surveys including Average Weekly Earnings, the Labour Price Index, Job Vacancies, and Industrial Disputes.

4 This publication includes a range of feature articles which are intended to assist users in understanding and interpreting the data and promote the range of data available from the ABS labour statistics program.

LABOUR STATISTICS CONCEPTS, SOURCES AND METHODS

5 The concepts and definitions underpinning ABS labour statistics align closely with the standards and guidelines set out in Resolutions of the International Conference of Labour Statisticians. Descriptions of the underlying concepts of Australia's labour market statistics, and the sources and methods used in compiling the estimates, are presented in [Labour Statistics: Concepts, Sources and Methods](#) (cat. no. 6102.0.55.001), which is available on the ABS website at <<https://www.abs.gov.au>> [Topics @ a Glance - People - Labour - [Labour Statistics: Concepts, Sources and Methods](#)].

6 For an explanation of terms used in this publication, refer to the Glossary.

LABOUR TOPICS @ A GLANCE

7 The Labour Topics @ a Glance page is a portal to all labour statistics and related information residing on the ABS website. The page contains hyperlinks to [Labour Statistics: Concepts, Sources and Methods](#) (cat. no. 6102.0.55.001); information about labour related surveys; and a help page for respondents to ABS labour related surveys. The Labour Topics @ a Glance page can be accessed at <<https://www.abs.gov.au>> [Topics @ a Glance - People - Labour].

ORIGINAL AND TREND ESTIMATES

8 Series in this publication include **original** and **trend** series. Special care should be taken in interpreting data for the most recent months and quarters, as some of the original and all of the trend series are subject to revision.

9 It is not uncommon for movements in original time series data and those provided from trend series to differ. Movements in a time series of original data may reflect several factors, including:

- longer-term changes in the item being measured (i.e. trend movements);
- short-term irregular changes;
- regular seasonal influences;
- normal 'trading', 'working' or 'pay' day patterns; and
- systematic holiday effects.

10 Trend estimates help the user to identify the underlying magnitude and direction of a time series. Seasonal adjustment removes the effect of the last three listed influences from the data, leaving only trend and short-term irregular movements. Trend estimates are then obtained by removing the effects of the short-term irregularities, which in some series can be a major contributor to movements in the original data.

11 Trend estimates are produced by using a statistical procedure based on Henderson moving averages. At each time point in a series, a trend estimate is calculated using a centred x-term Henderson moving average of the seasonally adjusted series. The moving averages are centred on the point in time at which the trend is being estimated. The number of terms used to calculate the trend varies across surveys. Generally, ABS monthly surveys use a 13-term moving average and quarterly surveys use a 7-term moving average.

12 Estimates for the most recent time points cannot be calculated using the centred average method as there are insufficient data to do so. Instead, alternative approaches that approximate the smoothing properties of the Henderson moving average are used. This can lead to revision in the trend estimates for the most recent time periods until sufficient data are available to calculate the trend using the centred Henderson moving average. Revisions of trend estimates will also occur with revisions to the original data and re-estimation of seasonal adjustment factors.

13 Seasonal factors are reviewed at least annually for ABS labour series, to take account of additional original data. The results of the latest reviews were used to compile the trend estimates given in this publication. For further information about the most recent reviews of seasonal factors for the labour surveys, see the following publications:

- for labour force, see [Labour Force, Australia](#) (cat. no. 6202.0);
- for labour price index, see [Labour Price Index, Australia](#) (cat. no. 6345.0); and
- for average weekly earnings, see [Average Weekly Earnings, Australia](#) (cat. no. 6302.0).

14 The general methods used in the ABS for estimating trends are described in [Information Paper: A Guide to Interpreting Time Series - Monitoring Trends](#) (cat. no. 1349.0).

RELIABILITY OF ESTIMATES

15 Estimates in this publication are subject to two types of error:

- sampling error - errors that occur because the data were obtained from a sample rather than the entire population; and
- non-sampling error - errors that occur at any stage of a survey and can also occur in a census, e.g. incorrect responses to questions, processing errors, frame deficiencies.

16 For more information on these sources of error, and on measures of these types of errors, including standard errors, refer to the main publications associated with each of the data series presented in this publication (see the relevant sections later in these Explanatory Notes). More information on standard errors applying to LFS estimates is contained in [Information Paper: Labour Force Survey Standard Errors, 2005](#) (cat. no. 6298.0). To assist users, a spreadsheet incorporating the revised standard error models using composite estimation is available from [Labour Force Survey Standard Errors, Data Cube, Oct 2009](#) (cat. no. 6298.0.55.001).

ROUNDING

17 Estimates have been rounded and discrepancies may occur between sums of the component items and totals.

LABOUR FORCE SURVEY DATA

Description of the survey

18 The Labour Force Survey (LFS) provides extensive and timely information on the labour market activity of the usually resident civilian population of Australia aged 15 and over. The LFS is a component of the Monthly Population Survey (MPS), which includes the LFS and supplementary surveys.

Monthly Population Survey

19 The Monthly Population Survey (MPS) is a population survey based on a multi-stage area sample of private dwellings and list samples of discrete Indigenous communities and non-private dwellings (hospitals, hotels, motels, etc.), and covers about 0.45% of the population of Australia. The information is obtained from occupants of selected dwellings by interviewers, with the first interview conducted face-to-face and subsequent interviews over the telephone. Once selected, households are included for eight consecutive months before being replaced.

Labour Force Survey

20 The Labour Force Survey (LFS) has been conducted since 1960, first as a quarterly collection and then monthly from February 1978. The content of the survey has remained broadly the same since its introduction, but is regularly updated to ensure that it is the most appropriate for the provision of accurate labour force statistics.

21 The LFS is designed primarily to provide estimates of key labour force statistics for the whole of Australia and, secondarily, for each state and territory. Further details about concepts and methods are presented in [Labour Statistics: Concepts, Sources and Methods](#) (cat. no. 6102.0.55.001),

Supplementary surveys

22 A supplementary topic was included with the Labour Force Survey for the first time in November 1961, and this concept has been gradually extended so that now, a majority of the months in each year include supplementary questions on one or more topics. Results from each supplementary survey topic are released separately.

23 The survey methodology does not differ greatly among the supplementary surveys, and in many aspects is the same as the LFS methodology. A list of topics covered in recent years is available from **Labour Market Statistics** (cat. no. 6105.0) > Contents> Find Out More > Related Publications. Further details about concepts and methods are presented in **Labour Statistics: Concepts, Sources and Methods** (cat. no. 6102.0.55.001).

Multi Purpose Household Survey

24 The Multi Purpose Household Survey (MPHS) was introduced in 2004-05. This survey vehicle is designed to provide statistics annually for a number of small, self contained topics, including a number of labour related topics. Data for MPHS topics are collected each month over a financial year. A list of topics covered in recent years is available from **Labour Market Statistics** (cat. no. 6105.0) > Contents> Find Out More > Related Publications. Further details about concepts and methods are presented in **Labour Statistics: Concepts, Sources and Methods** (cat. no. 6102.0.55.001).

Reference period

25 Interviews are generally conducted during the two weeks beginning on the Monday between the 6th and 12th of each month, with questions relating to the week prior to the interview (the reference week).

Notes on data

26 From time to time, changes to survey methodology affect the time series produced. Some examples of changes to this survey are: new questions added to the LFS questionnaire in April 2001; and the introduction of telephone interviewing in 1996-97.

27 In February 2004 the definition of unemployed persons was changed to include all persons who were waiting to start work and were available to start in the reference week, with consequent revisions to data from April 2001 to January 2004. For further details, see **Information Paper: Forthcoming Changes to Labour Force Statistics, 2003** (cat. no. 6292.0).

28 In May 2007, an improved method of estimation, known as composite estimation, was introduced into the Labour Force Survey. In introducing this change the ABS revised unit record data from April 2001 to April 2007 based on the new estimation method. While estimates for periods prior to April 2001 are unrevised and were compiled using a different estimation method, no trend break was identified in the employed persons series. Also, no change was identified in the trend breaks in the unemployed persons and unemployment rate series which arose with the introduction of a redesigned survey form in April 2001. For further details, see **Information Paper: Forthcoming Changes to Labour Force Statistics, 2007** (cat. no. 6292.0).

Population benchmarks

29 Labour Force Survey estimates are calculated in such a way as to add up to independent estimates of the civilian population aged 15 years and over (population benchmarks). These population benchmarks are projections of the most recently released quarterly Estimated Resident Population (ERP) data. For information on the methodology used to produce the ERP see **Australian Demographic Statistics** (cat. no. 3101.0).

30 The ERP series are revised twice-yearly in the March and September quarter issues of **Australian Demographic Statistics** (cat. no. 3101.0) to incorporate more up to date information available for the population components. For further details, see the article "**Labour Force Survey Population Benchmarks**" in **Labour Force, Australia, September 2010** (cat. no. 6202.0).

Estimation method

31 The estimation method used in the Labour Force Survey is Composite Estimation, which was introduced in May 2007. Composite Estimation combines data collected in the previous six months with current month's data to produce the current month's estimates, thereby exploiting the high correlation between overlapping samples across months in the Labour Force Survey. The Composite Estimator combines the previous and current months' data by applying different factors according to length of time in the survey. After these factors are applied, the seven months of data are weighted to align with current month population benchmarks. For details see **Information Paper: Forthcoming Changes to Labour Force Statistics, 2007** (cat. no. 6292.0).

Families series

32 Family relationship is not determined for all households and persons in scope of the LFS. This is due to a number of factors related to the scope and coverage of the LFS, as well as difficulties in determining family structure and characteristics. The survey questions used to determine family relationships are restricted to persons enumerated as usual residents of private dwellings. That is, the following persons are excluded:

- all persons enumerated in non-private dwellings (including hotels, motels, hospitals and other institutions); and
- members of households where any of the usual residents aged 15 years and over are:
 - Non-Australian diplomats, non-Australian diplomatic staff or non-Australian members of their household;
 - Short term overseas visitors, whose usual residence is outside of Australia and who are staying in Australia for less than 12 months; or
 - Members of non-Australian defence forces stationed in Australia or their dependants.

33 From October 2008, the method of producing family estimates from the LFS included: an expanded scope to include households containing permanent members of the Australian defence forces; a wider range of families in the LFS sample contributing to the family

estimates; and improving the weighting method by utilising independent population benchmarks (of persons and households), ensuring the estimates more closely reflected the Australian population. See **Improvements to Family Estimates from the Labour Force Survey** (cat. no. 6224.0.55.002).

Further information and data on the LFS

34 LFS estimates are published monthly in **Labour Force, Australia** (cat. no. 6202.0). A series of time series spreadsheets are released at the same time as this publication under cat. no. 6202.0.55.001. More detailed estimates are released, in electronic format, one week later, under cat. no. 6291.0.55.001 for monthly data, or cat. no. 6291.0.55.003 for quarterly data. All electronic data can be accessed via the ABS website at <https://www.abs.gov.au>. For details on the data available in the Labour Force standard products, see **Labour Force Survey Standard Products and Data Item Guide** (cat. no. 6103.0). Additional data are available on request.

35 For further information about the range of LFS products and services, and the concepts and methodology used in the LFS, refer to **Information Paper: Changes to Labour Force Survey Products** (cat. no. 6297.0), **Labour Statistics: Concepts, Sources and Methods** (cat. no. 6102.0.55.001), or contact Labour Market Statistics on Canberra (02) 6252 7206.

WAGE PRICE INDEX DATA

Description of the survey

36 The Labour Price Index (LPI) measures change in the price of labour in the Australian labour market, unaffected by changes in the quality or quantity of work performed, i.e. it is unaffected by changes in the composition of the labour force, hours worked, or changes in characteristics of employees (e.g. work performance). In the LPI, index numbers are compiled for a range of wage and non-wage costs. Information about the wage price indexes has been released for each quarter since September 1997.

Reference period

37 The reference period for the survey is the last pay period ending on or before the third Friday of the mid-month of the quarter.

Further information

38 For further information about the range of products and services relating to the Wage Price Index, and the concepts and methodology used, refer to **Labour Price Index, Australia** (cat. no. 6345.0), **Labour Price Index, Concepts, Sources and Methods** (cat. no. 6351.0.55.001), **the associated time series spreadsheets available from the ABS website, or contact the Manager, Labour Price Index on Perth** (08) 9360 5151.

AVERAGE WEEKLY EARNINGS DATA

Description of the survey

39 The Survey of Average Weekly Earnings has been conducted quarterly since August 1981. Approximately 5,500 businesses contribute to the survey each quarter. The purpose of the survey is to measure average gross weekly earnings of employee jobs in Australia.

40 Average weekly earnings statistics represent average gross (before tax) earnings of employees and do not relate to average award rates nor to the earnings of the 'average person'. Estimates of average weekly earnings are derived by dividing estimates of weekly total earnings by estimates of number of employees. Changes in the averages may be affected not only by changes in the level of earnings of employees but also by changes in the overall composition of the wage and salary earner segment of the labour force.

Reference period

41 The reference period for the survey is the last pay period ending on or before the third Friday of the middle month of the quarter. For non-weekly payrolls, businesses are asked to provide one week's portion.

Further information

42 For further information about average weekly earnings statistics and the concepts and methodology used, refer to **Average Weekly Earnings, Australia** (cat. no. 6302.0), **Labour Statistics: Concepts, Sources and Methods** (cat. no. 6102.0.55.001), or contact the Manager, Survey of Average Weekly Earnings on Perth (08) 9360 5304.

INDUSTRIAL DISPUTES DATA

Description of the survey

43 The ABS has been collecting information about industrial disputes since 1913. The Industrial Disputes collection produces estimates of the number of industrial disputes (where ten or more working days are lost), employees involved, and working days lost.

44 The scope of the Industrial Disputes collection is restricted to employing businesses at which an industrial dispute has occurred. For this collection, industrial disputes are defined as work stoppages of ten working days or more. Ten working days are equivalent to the amount of ordinary time worked by ten people in one day, regardless of the length of the stoppage, e.g. 3,000 workers on strike for two hours would be counted as 750 working days lost (assuming they work an eight-hour day).

45 Effects on other establishments not directly involved in the dispute, such as stand-downs because of lack of materials, disruption of transport services, power cuts, etc. are not included in the scope of this collection.

Reference period

46 The collection reference period is the calendar quarter.

Further information

47 For further information about industrial disputes statistics, and the concepts and methodology used, refer to the electronic publication **Industrial Disputes, Australia** (cat. no. 6321.0.55.001), **Labour Statistics: Concepts, Sources and Methods** (cat. no. 6102.0.55.001), or contact the Manager, Industrial Disputes on Perth (08) 9360 5338.

JOB VACANCIES DATA

Description of the survey

48 The current Job Vacancies Survey has been conducted since November 1983, with the exception of between August 2008 and August 2009 when the survey was temporarily suspended. It is a quarterly sample survey of approximately 5,000 employers. The survey produces estimates of the number of job vacancies in Australia.

Reference date

49 The reference date for the survey is the third Friday of the middle month of the quarter.

Further information

50 For further information about the range of products and services relating to ABS job vacancies statistics, and the concepts and methodology used, refer to **Job Vacancies, Australia** (cat. no. 6354.0), **Labour Statistics: Concepts, Sources and Methods** (cat. no. 6102.0.55.001), **the associated time series spreadsheets available from the ABS website, or contact the Manager, Job Vacancies Survey on Perth** (08) 9360 5373.

Glossary

GLOSSARY

Actual hours worked

Actual hours worked is the amount of time a person actually spent at work during a specified reference period. The time includes all paid and unpaid overtime, but excludes hours paid for but not worked (such as paid annual leave or public holidays), meal breaks and time spent on travel to and from work. Actual hours worked (for a specific reference period) may differ from usual hours worked due to illness, vacation, strike, overtime work, a change of job or similar reasons.

Adult employees

Adult employees are those employees 21 years of age or over and those employees who, although under 21 years of age, are paid at the full adult rate for their occupation.

Aggregate monthly hours worked

Aggregate monthly hours worked measures the total number of actual hours worked by employed persons in a calendar month. It differs from the actual hours worked estimates (and the usual hours worked estimates) since these refer only to the hours worked in the reference week. Actual and usual hours worked cannot be aggregated across time to produce either quarterly or annual estimates as they relate to only a single week in the month. In contrast, aggregate monthly hours worked estimates are a true monthly measure, and may be aggregated across time to produce both quarterly and annual estimates.

Average actual weekly hours worked

The average total number of hours a group of employed persons has actually worked during the reference week, not necessarily hours paid for. This is calculated as the aggregate actual weekly hours worked by a group of employed persons divided by the number of persons in the group.

Average weekly earnings

Average weekly earnings represent average gross (before tax) earnings of employees and do not relate to average award rates nor to the earnings of the 'average person'. Estimates of average weekly earnings are derived by dividing estimates of weekly total earnings by estimates of number of employees.

Award only

Awards are legally enforceable determinations made by federal or state industrial tribunals that set the terms of employment (pay and/or conditions), usually in a particular industry or occupation. An award may be the sole mechanism used to set the pay and/or conditions for an employee or group of employees, or alternatively may be used in conjunction with an individual or collective agreement. Employees are classified to the **Award only** category if they are paid at the rate of pay specified in the award, and are not paid more than that rate of pay.

Children living without an employed parent

For this measure, a child is defined as a person who is under 15 years of age who is a natural, adopted, step, foster or nominal son or

daughter of a couple or lone parent, usually resident in the same household. The number of children living without an employed parent is determined through the labour force status of parent(s) in the parent-child relationship who are usually resident in the household. This measure includes couple families where both parents are either unemployed or not in the labour force and lone parent families where the sole parent is unemployed or not in the labour force as defined.

Civilian population aged 15 years and over

All usual residents of Australia aged 15 years and over except members of the permanent defence forces, certain diplomatic personnel of overseas governments customarily excluded from census and estimated population counts, overseas residents in Australia, and members of non-Australian defence forces (and their dependants) stationed in Australia.

Collective agreement

A collective agreement is an agreement between an employer (or group of employers) and a group of employees (or one or more unions or employee associations representing the employees). A **Collective agreement** sets the terms of employment (pay and/or conditions) for a group of employees, and is usually registered with a Federal or State industrial tribunal or authority.

Couple family

A couple family is identified by the existence of a couple relationship. A couple relationship is defined as two people usually residing in the same household who share a social, economic and emotional bond usually associated with marriage and who consider their relationship to be a marriage or marriage-like union. This relationship is identified by the presence of a registered marriage or de facto marriage. A couple family can be with or without children, and may or may not include other related individuals. A couple family with children present can be expanded to elaborate on the characteristics of those children, such as their number, age and dependency status.

Dependent child

A dependent child is a person who is either a child under 15 years of age, or a dependent student (see **Dependent student** below). To be regarded as a child the person can have no identified partner or child of his/her own usually resident in the household.

Dependent student

A dependent student is a natural, adopted, step, or foster child who is 15-24 years of age and who attends a secondary or tertiary educational institution as a full-time student and for whom there is no identified partner or child of his/her own usually resident in the same household.

Discouraged jobseekers

Discouraged jobseekers are people with marginal attachment to the labour force who wanted to work and were available to start work within the next four weeks but whose main reason for not actively looking for work was that they believed they would not find a job for any of the following reasons:

- considered to be too young by employers;
- considered to be too old by employers;
- believes ill health or disability discourages employers;
- lacked necessary schooling, training, skills or experience;
- difficulties because of language or ethnic background;
- no jobs in their locality or line of work;
- no jobs in suitable hours; or
- no jobs at all.

Duration of unemployment

Duration of unemployment is the period of time from when an unemployed person began looking for work, until the end of the reference week; or the period of time since an unemployed person last worked in any job for two weeks or more, until the end of the reference week; whichever was the shorter period.

Employed

Employed persons include all people aged 15 years and over who, during the reference week:

- worked for one hour or more for pay, profit, commission or payment in kind in a job or business, or on a farm (comprising employees, employers and own account workers);
- worked for one hour or more without pay in a family business or on a farm (i.e. contributing family workers);
- were employees who had a job but were not at work and were:
 - away from work for less than four weeks up to the end of the reference week;
 - away from work for more than four weeks up to the end of the reference week and received pay for some or all of the four week period to the end of the reference week;
 - away from work as a standard work or shift arrangement;
 - on strike or locked out;
 - on workers' compensation and expected to return to their job; or
- were employers or own account workers, who had a job, business or farm, but were not at work.

Employed full-time

People employed full-time are those employed people who usually worked 35 hours or more a week (in all jobs) and those who, although usually working fewer than 35 hours a week, worked 35 hours or more during the reference week.

Employed part-time

Persons employed part-time are those employed persons who usually worked fewer than 35 hours a week (in all jobs) and either did so

during the reference week, or were not at work in the reference week.

Employed persons who work part-time (percentage)

The percentage of employed people who work part time is calculated as the number of people who are employed part-time, expressed as a percentage of all employed people.

Employees

As relating to the Average weekly earnings key measure: Employees refer to all wage and salary earners who received pay for any part of the reference period.

As relating to the Industrial disputes key measures: Employees refers to wage and salary earners only. Excluded are persons who are self employed and employers.

As relating to all other references to employees: People who worked for a public or private employer; and received remuneration in wages or salary; or are paid a retainer fee by their employer and worked on a commission basis, or tips, piece rates or payment in kind; or operated their own incorporated enterprise with or without hiring employees.

Employment to population ratio

The employment to population ratio is calculated as the number of employed persons, expressed as a percentage of the civilian population.

Extended labour force underutilisation rate

The extended labour force underutilisation rate is calculated as the unemployed, plus the underemployed, plus two groups who are marginally attached to the labour force:

- (i) persons actively looking for work, not available to start work in the reference week, but available to start work within four weeks; and
- (ii) discouraged jobseekers

as a percentage of the labour force augmented by (i) and (ii).

Family

A family consists of two or more people, one of whom is at least 15 years of age, who are related by blood, marriage (registered or de facto), adoption, step or fostering, and who are usually resident in the same household. The basis of a family is formed by identifying the presence of a couple relationship, lone parent-child relationship or other blood relationship. Some households will, therefore, contain more than one family.

Full-time employed

People employed full-time are those employed people who usually worked 35 hours or more a week (in all jobs) and those who, although usually working fewer than 35 hours a week, worked 35 hours or more during the reference week.

Full-time employees

Full-time employees are permanent, temporary and casual employees who normally work the agreed or award hours for a full-time employee in their occupation and received pay for any part of the reference period. If agreed or award hours do not apply, employees are regarded as full-time if they ordinarily work 35 hours or more per week.

Fully engaged in education or work

People fully engaged in education or work, were in full-time work or in full-time education, or in part-time work combined with part-time education in the survey reference week.

Hours paid for

Hours paid for is the amount of time for which employees were paid in their main job, not necessarily the number of hours actually worked during the reference week (e.g. an employee on paid leave for the week was asked to report the number of hours for which they were paid).

Household

Households consist of one or more people, at least one of whom is at least 15 years of age, usually resident in the same private dwelling.

Index number series

An index number series measures the change over time from a reference base period value, which is normally presented as an index value of 100.0.

Individual arrangement

An individual arrangement is an arrangement between an employer and an individual employee on the terms of employment (pay and/or conditions) for the employee. Common types of individual arrangements are individual contracts, letters of offer and common law contracts. An individual contract (or letter of offer) may specify all terms of employment, or alternatively may reference an award for some conditions and/or in the setting of pay (e.g. over award payments). Individual contracts may also be registered with a Federal or State industrial tribunal or authority (e.g. as an Australian Workplace Agreement). However, the **Workplace Relations Amendment (Transition to Forward with Fairness) Act 2008** ceased the registration of individual agreements from 28 March 2008. Employees are classified to the **Individual arrangement** category if they have the main part of their pay set by an individual contract, registered individual agreement (e.g. Australian Workplace Agreement), common law contract, or if they receive overaward payments by individual agreement.

Industrial dispute

An industrial dispute is defined as a state of disagreement over an issue or group of issues between an employer and its employees, which results in employees ceasing work. Industrial disputes comprise strikes, which are a withdrawal from work by a group of employees; and

lockouts, which are a refusal by an employer or group of employers to permit some or all of their employees to work.

Industry

An industry is a group of businesses or organisations that undertake similar economic activities to produce goods and/or services. In this publication, industry refers to ANZSIC Division as classified according to the Australian and New Zealand Standard Industrial Classification (ANZSIC), 2006 (cat. no. 1292.0).

Job leavers

Job leavers are unemployed people who have worked for two weeks or more in the past two years and left that job voluntarily, for example, because of:

- unsatisfactory work arrangements/pay/hours;
- the job was a holiday job or they left the job to return to studies; or
- their last job was running their own business and they closed down or sold that business for reasons other than financial difficulties.

Job losers

Job losers are unemployed people who have worked for two weeks or more in the past two years and left that job involuntarily, that is, were:

- laid off or retrenched from that job;
- left that job because of their own ill-health or injury;
- the job was seasonal or temporary; or
- their last job was running their own business and the business closed down because of financial difficulties.

Job vacancy

A job vacancy is a job available for immediate filling on the survey reference date and for which recruitment action had been taken.

Recruitment action includes efforts to fill vacancies by advertising, by factory notices, by notifying public or private employment agencies or trade unions and by contacting, interviewing or selecting applicants already registered with the enterprise or organisation.

Estimates of job vacancies exclude:

- jobs not available for immediate filling on the survey reference date;
- jobs for which no recruitment action has been taken;
- jobs which became vacant on the survey date and were filled on the same day;
- jobs of less than one day's duration;
- jobs only available to be filled by internal applicants within an organisation;
- jobs to be filled by employees returning from paid or unpaid leave or after industrial disputes;
- vacancies for work to be carried out by contractors; and
- jobs for which a person has been appointed but has not yet commenced duty.

Labour force

For any group, the labour force consists of people who were employed or unemployed, as defined.

Labour force participation rate

The labour force participation rate for any group within the population is the labour force component of that group, expressed as a percentage of the population in that group.

Labour force status

Labour force status is a classification of the civilian population aged 15 years and over into the categories employed and unemployed (which together comprise the labour force) and not in the labour force, as defined.

Labour force underutilisation rate

The labour force underutilisation rate is the sum of the number of persons unemployed and the number of persons underemployed, expressed as a percentage of the labour force.

Labour underutilisation

Labour underutilisation is a measure of excess labour capacity in an economy. It can be measured using either population or hours based estimates. See **Labour force underutilisation rate**; **Extended labour force underutilisation rate**; and **Volume labour force underutilisation rate**.

Long-term unemployed

The long-term unemployed are people who have been unemployed for 52 weeks or more. See **Duration of unemployment**.

Long-term unemployed as a proportion of total unemployment

For any group, the long term unemployed as a proportion of total unemployment is the number of long-term unemployed persons, expressed as a percentage of the unemployed population.

Long-term unemployment rate

The long term unemployment rate for any group is the number of long-term unemployed persons, expressed as a percentage of the labour force.

Managerial employees

Managerial employees are in charge of a significant number of employees and/or have strategic responsibilities in the conduct or operations of the organisation, and usually do not have an entitlement to paid overtime. Includes professionally qualified staff who primarily perform managerial tasks in conjunction with utilising their professional skills. Working proprietors and working directors of their own incorporated businesses are regarded as managerial employees.

Marginal attachment to the labour force

People with marginal attachment to the labour force were not in the labour force in the reference week, wanted to work and:

- were actively looking for work but did not meet the availability criteria to be classified as unemployed; or
- were not actively looking for work but were available to start work within four weeks.

The criteria for determining those in the labour force are based on activity (i.e. working or looking for work) and availability to start work during the reference week. The criteria associated with marginal attachment to the labour force, in particular the concepts of wanting to work and reasons for not actively looking for work, are more subjective. Hence, the measurement against these criteria is affected by the respondent's own interpretation of the concepts used. An individual respondent's interpretation may be affected by their work aspirations, as well as family, economic and other commitments.

Median earnings

Median earnings is the amount of earnings which divides employees into two groups containing equal numbers of employees, one half with earnings below the median and the other half with earnings above the median.

Method of setting pay

Information on the method of setting pay refers to how the main part of an employee's pay is set. Employees (excluding OMIEs) are classified to one of the following categories:

- Award only;
- Collective agreement; or
- Individual arrangement.

Owner managers of incorporated enterprises are excluded from this classification.

Non-managerial employees

Non-managerial employees are employees who are not managerial employees (as defined above) including non-managerial professionals and some employees with supervisory responsibilities.

Not in the labour force

People not in the labour force are those who were not in the categories 'employed' or 'unemployed' as defined.

Occupation

An occupation is a collection of jobs that are sufficiently similar in their title and tasks, skill level and skill specialisation which are grouped together for the purposes of classification. In this publication occupation refers to Major Group as defined by ANZSCO - Australian and New Zealand Standard Classification of Occupations, First Edition, Revision 1, 2009 (cat. no. 1220.0).

One parent family

One-parent families consist of a lone parent with at least one child (regardless of age) who is also usually resident in the household and who has no identified partner or child of his/her own. The family may also include any number of other related individuals.

Ordinary time cash earnings

Ordinary time cash earnings include payment for award, standard or agreed hours of work, including allowances, penalty payments, payments by measured result and regular bonuses and commissions. Ordinary time cash earnings are inclusive of amounts salary sacrificed. Excluded are non-cash components of salary packages, overtime payments, retrospective pay, pay in advance, leave loadings, severance pay, and termination and redundancy payments.

Original series

Original series estimates are produced directly from the survey data and have not been subject to seasonal adjustment or trend estimation.

Other family

Other family is defined as a group of related individuals residing in the same household, who cannot be categorised as belonging to a couple or one parent family.

Owner managers of incorporated enterprises (OMIEs)

Owner managers of incorporated enterprises (OMIEs) are people who work in their own incorporated enterprise, that is, a business entity which is registered as a separate legal entity to its members or owners (also known as a limited liability company).

Participation rate

For any group, the participation rate is the labour force, expressed as a percentage of the civilian population aged 15 years and over.

Part-time employed

Persons employed part-time are those employed persons who usually worked fewer than 35 hours a week (in all jobs) and either did so during the reference week, or were not at work in the reference week.

Part-time employed who are underemployed

For any group, part-time employed who are underemployed is the number of people who are both part-time employed and underemployed workers, expressed as a percentage of all part-time employed.

Part-time work

See **Part-time employed**.

Seasonally adjusted series

A seasonally adjusted series is a time series of estimates with the estimated effects of normal seasonal variation removed.

Sector

Public sector comprises local government authorities and all government departments and agencies created by, or reporting to, the Commonwealth, or state/territory parliaments. Private sector comprises all organisations not classified as public sector.

Total hourly rates of pay index excluding bonuses

The total hourly rates of pay index excluding bonuses measures the quarterly change in combined ordinary income and overtime hourly rates of pay.

Trade union

A trade union is an organisation consisting predominantly of employees, the principal activities of which include the negotiation of rates of pay and conditions of employment for its members.

Trade union member

Trade union members are employees who are members of a trade union, not necessarily in connection with their main job.

Trend series

A trend series is a smoothed seasonally adjusted time series of estimates.

Underemployed workers

Underemployed workers are employed persons aged 15 years and over who want, and are available for, more hours of work than they currently have. They comprise:

- persons employed part-time who want to work more hours and are available to start work with more hours, either in the reference week or in the four weeks subsequent to the survey; or
- persons employed full-time who worked part time hours in the reference week for economic reasons (such as being stood down or insufficient work being available). It is assumed that these people wanted to work full-time in the reference week and would have been available to do so.

Underemployment rate

The underemployment rate is the number of underemployed workers, expressed as a percentage of the labour force.

Unemployed

Unemployed persons include all people aged 15 years and over who were not employed during the reference week, and:

- had actively looked for full time or part time work at any time in the four weeks up to the end of the reference week and were available for work in the reference week; or
- were waiting to start a new job within four weeks from the end of the reference week and could have started in the reference week if the job had been available then.

Unemployed looking for first full-time job

Unemployed looking for first full-time job consists of unemployed persons looking for full-time work who had never worked full time for two weeks or more.

Unemployed looking for first job

Unemployed looking for first job consists of unemployed persons who had never worked for two weeks or more.

Unemployed looking for full-time work

Unemployed looking for full-time work consists of unemployed persons who:

- actively looked for full time work; or
- were waiting to start a new full time job.

Unemployed looking for part-time work

Unemployed looking for part-time work consists of unemployed persons who:

- actively looked for part time work only; or
- were waiting to start a new part-time job.

Unemployment rate

The underemployment rate is the number of unemployed persons, expressed as a percentage of the labour force.

Unemployment to population ratio

The unemployment to population ratio is the number of unemployed people, expressed as a percentage of the civilian population aged 15 years and over.

Usual hours worked

Usual hours of work refer to a typical period rather than to a specified reference period. The concept of usual hours applies both to persons at work and to persons temporarily absent from work, and is defined as the hours worked during a typical week or day. Actual hours worked (for a specific reference period) may differ from usual hours worked due to illness, vacation, strike, overtime work, a change of job, or similar reasons.

Volume labour force underutilisation rate

The volume labour force underutilisation rate is the total volume of underutilised labour in the labour force (hours sought by unemployed people, plus additional hours preferred by underemployed people), expressed as a percentage of the volume of potential labour in the labour force (see definition below).

Volume measure of labour underutilisation

The volume measure of labour underutilisation is an hours based or volume measure of labour underutilisation which quantifies the hours of available labour that are unutilised. It is calculated as the hours of labour sought by unemployed persons plus the hours of labour preferred by underemployed workers (unutilised).

Volume of potential labour in the labour force

The volume of potential labour in the labour force is equal to the hours of labour sought by unemployed persons, plus the hours of labour preferred by underemployed workers (both utilised and unutilised), plus the hours of labour usually provided by employed persons who are not underemployed.

Volume underemployment rate

The volume underemployment rate is the volume of additional hours preferred by underemployed people, expressed as a percentage of the volume of potential labour in the labour force.

Volume unemployment rate

The volume unemployment rate is the volume of hours sought by unemployed people, expressed as a percentage of the volume of potential labour in the labour force.

Wage price index

The wage price index measures changes in the price of wages.

Weekly ordinary time earnings

Weekly ordinary time earnings refers to one week's earnings of employees for the reference period, attributable to award, standard or agreed hours of work. It is calculated before taxation and any other deductions (e.g. superannuation, board and lodging) have been made. Included in ordinary time earnings are:

- award, workplace and enterprise bargaining payments, and other agreed base rates of pay, over-award and over-agreed payments, penalty payments, shift and other allowances;
- commissions and retainers;
- bonuses and similar payments related to the reference period;
- payments under incentive or piecework;
- payments under profit sharing schemes normally paid each pay period;
- payment for leave taken during the reference period;
- all workers' compensation payments made through the payroll; and
- salary payments made to directors.

Excluded are amounts salary sacrificed, non-cash components of salary packages, overtime payments, retrospective pay, pay in advance, leave loadings, severance, termination and redundancy payments, and other payments not related to the reference period.

Weekly total earnings

Weekly total earnings of employees is equal to weekly ordinary time earnings plus weekly overtime earnings.

With paid leave entitlements

Employees (excluding OMIEs) with paid leave entitlements are those who were entitled to either paid holiday leave or paid sick leave (or both) in their main job.

Without paid leave entitlements

Employees (excluding OMIEs) without paid leave entitlements are those who were not entitled to paid holiday leave and paid sick leave, or did not know whether they were entitled to paid holiday leave or paid sick leave in their main job.

Working days lost

Working days lost refers to working days lost by employees directly and indirectly involved in the dispute.

Working days lost per employee involved

Working days lost per employee involved refers to the average number of working days lost per employee involved in the dispute, calculated by dividing the number of working days lost in the dispute by the number of employees involved (both directly and indirectly).

Working days lost per thousand employees

Working days lost per thousand employees are calculated by dividing the total number of working days lost by the total number of employees in the Australian labour force and multiplying by 1,000.

Abbreviations

ABBREVIATIONS

| | |
|--------|---|
| ABS | Australian Bureau of Statistics |
| ANZSCO | Australian and New Zealand Standard Classification of Occupations |
| ANZSIC | Australian and New Zealand Standard Industrial Classification |
| ASGC | Australian Standard Geographical Classification |
| ATO | Australian Taxation Office |
| AWE | average weekly earnings |
| EEH | Survey of Employee Earnings and Hours |
| ERP | estimated resident population |
| GDP | gross domestic product |
| ID | industrial disputes |
| ILO | International Labour Organization |
| JVS | Job Vacancies Survey |
| LFS | Labour Force Survey |
| LPI | labour price index |
| MPHS | Multipurpose Household Survey |
| MPS | Monthly Population Survey |
| qtr | quarter |
| RSE | relative standard error |
| WPI | wage price index |

Data Cubes (I-Note) - Data Cubes

Table 1 is updated on an annual basis and was last updated for June 2010.

Tables 2 - 4 are updated on a quarterly basis.

Tables 5 -7 are updated on an annual basis. All three are updated in the July 2011 issue of Australian Labour Market Statistics (cat. no. 6105.0).